

Folsom City Council Staff Report

MEETING DATE:	4/14/2026
AGENDA SECTION:	Public Hearing
ITEM TITLE:	<p>Community Park West Alternative Site Development Agreement Amendments (DEVA26-00028):</p> <ul style="list-style-type: none"> i. Ordinance No. 1363 - An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Alder Creek West Improvement Company, LLC, With Respect to Property Previously Owned by Hillsborough North, LLC. (Introduction and First Reading) ii. Ordinance No. 1364 - An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Alder Creek West Improvement Company, LLC, With Respect to Property Previously Owned by Prairie City Commercial Properties, LLC. (Introduction and First Reading) iii. Ordinance No. 1365 - An Uncodified Ordinance of the City of Folsom Approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Alder Creek West Improvement Company, LLC, With Respect to Property Previously Owned by West Hillsborough Investors, LLC. (Introduction and First Reading) <p>This request does not include any changes to the zoning or allowed uses on the specified parcels and subsequent land use approvals are required before any development can occur on the sites which are the subject of this request. Therefore, this request is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).</p>
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Conduct a public hearing and upon conclusion introduce and conduct the first reading of Ordinance No. 1363, Ordinance No. 1364, and Ordinance No. 1365, uncodified ordinances approving amendments to three Development Agreements to designate new Alternate Sites for Community Park West.

BACKGROUND / ISSUE

History

The Folsom Plan Area Specific Plan (FPASP or Specific Plan), approved in 2011, is a development plan for over 3,500 acres of previously undeveloped land located south of Highway 50, north of White Rock Road, east of Prairie City Road, and adjacent to the Sacramento County/El Dorado County line in the southeastern portion of the City.

In 2011, the Folsom City Council entered into a “Tier 1” Development Agreement with multiple property owners covering the entirety of the Specific Plan that laid out an initial set of agreements between the City and the property owners related to implementation of the Specific Plan. In 2014, the Folsom City Council then entered into a set of amended “Tier 1” Development Agreements between the City and most Specific Plan landowners, which replaced the original Development Agreement. These “Amended Tier 1” Development Agreements are known as the First Amended and Restated Tier One Development Agreements, or “ARDAs” for short. A separate ARDA was entered into with each property owner. Over the ensuing decade, amendments to most of the ARDAs have been approved, and some “Tier 2” project-level Development Agreements that layer on to the ARDAs have also been approved. However, the ARDAs remain the base Development Agreement to which all future agreements refer.

One of the more substantial amendments in 2014 was to language related to the property known as Area 40, which is a portion of the Aerojet Rocketdyne properties designated by the U.S. Environmental Protection Agency (EPA) as a Superfund Site in 1983. Area 40 is designated under the FPASP as a mix of Open Space, Park, and Residential land uses. When the initial Tier 1 Development Agreements were approved, a provision regarding this property was included that gave the City of Folsom the authority to rezone land within a specified area of the Specific Plan for use as a park, should the designated parkland within the Area 40 site not be available when surrounding properties begin to develop. In the ARDAs, this provision was amended and expanded to include timing triggers and a specified “Alternate Site” should the Area 40 parkland (now referred to as Community Park West) remain unavailable when the triggers are hit. Section 2.2.3.2 (Area 40 – Community Park West) of the ARDAs provides the specific language, which in sum includes the following:

- Establishment of a designated Alternate Site, agreed to by the landowners and the city and depicted in Exhibit 2.2.3.2.
- Agreement that the Alternate Site shall not exceed the size of Community Park West (approximately 47.8 acres).
- Direction that the landowner or their successor in interest shall process Parcel Maps with their first land use application or submittal of a Specific Plan Amendment in the Community Park West service area separately delineating the Alternate Site and Community Park West, which shall include the granting of an Irrevocable Offer of Dedication to the City on both sites (IOD).

- Agreement that the landowner or their successors in interest may develop all land around the Alternate Site and Community Park West site as outlined in the Specific Plan.
- A requirement that upon issuance of the 1,200th building permit within the Community Park West service area outlined in the Specific Plan either the Community Park West site will have regulatory clearance for park use or that the City will accept the IOD on the Alternate Site for park use.

On April 9, 2025, Toll Brothers submitted a Vesting Small Lot Tentative Subdivision Map for 1,422 residential lots on approximately 464 acres in the western portion of the Specific Plan, called Toll Brothers at Alder Creek (Project No. MSTR25-00084). The Toll Brothers project planned for residential lotting on the designated Alternate Site, as regulatory clearance of the Area 40 site appeared imminent at the time of project submittal. However, the U.S. Environmental Protection Agency (EPA) subsequently stated that regulatory clearance for the Area 40 site would not be granted before additional testing and remediation work was completed by the landowner. This is anticipated to take another two to three years.

City staff then informed Toll Brothers that the residential lotting shown for the Alternate Site could not move forward to hearing due to the ARDA restrictions. The overall project would have to be modified to retain the Alternate Site for potential future use as a park or a new Alternate Site within the Community Park West service area would have to be identified. Toll Brothers then worked with the city and the landowner to identify potential replacement Alternate Sites. Two sites were identified through a coordinated effort with the City Parks Department and Community Development Department and are being brought forward for consideration through these amendments.

Staff wish to note that the applicant, Alder Creek West Improvement Company, LLC, is the current landowner of the properties covered by the ARDA. However, the ARDA was not amended to reflect the ownership change. Instead, Alder Creek West Improvement Company, LLC recorded assignment and assumption agreements, as permitted in Section 7.11 of the ARDA to assume all responsibilities and benefits outlined in the ARDA. Staff have copies of the agreements and can provide them if requested. Due to various ownership changes over time, three separate amendments are required to cover all of the property at issue in this request, namely, the existing Alternate Site and the proposed Alternate Sites. All three amendments are amending one single ARDA, but each one covers a distinct geographic area, which is described and depicted in Exhibit A to each amendment. At the time the ARDA was signed, all property subject to this request was owned by Aerojet/Easton and all of it was subject to one ARDA. Later, portions of the property were sold to different entities, each of which signed an assignment and assumption agreement to accept Aerojet's interest in the ARDA for the specific portion of property being sold. More recently, Alder Creek West Improvement Company, LLC, the applicant here, purchased all of the property which is the subject of this request from the various landowners and signed multiple assignment and assumption agreements to assume the previous owners' interest in the ARDA covering the property. As a result, multiple amendments are required to effectuate this change for all of the property that is the subject of this request. All the amendments included in this request contain the same terms and conditions, with the only differences relating to the specific property covered and the previous ownership history.

Applicant Proposal

The applicant, Alder Creek West Improvement Company, LLC, is requesting amendments to the *Tier One Amended and Restated Development Agreement Between the City of Folsom and Aerojet Rocketdyne, Inc. and Easton Development Company, LLC* and the *Tier One Amended and Restated Development Agreement Between the City of Folsom and Easton Valley Holdings, LLC*. The proposed amendments are included as Attachments 4, 5, and 6 to this report. The purpose of the amendments is to designate new Alternate Sites for Community Park West, which is a community park planned under the Folsom Plan Area Specific Plan (FPASP or Specific Plan) on an approximately 48-acre site in the western area of the Specific Plan. As outlined in the Background Section of this report, development agreements covering much of the Specific Plan include language delineating an Alternate Site for Community Park West due to the potential for the site to be unavailable for park use when required.

Changing the Alternate Site designation will be accomplished by replacing Exhibit 2.2.3.2 of the Development Agreements, which is a map showing the location of the Alternate Park Site. Currently, Exhibit 2.2.3.2 delineates a portion of the applicant's property on the east side of Oak Avenue Parkway, north of Mangini Parkway, as the Alternate Site. The Amendment would remove that land from consideration as the Alternate Site and instead designate as the Alternate Park Sites two areas at the northwest and southwest corners of the Specific Plan that would equal approximately 48 acres in total. The existing and proposed Exhibits 2.2.3.2 are shown below. A note would be included that reserves up to 9.9 acres for private development use on the northwestern site, based on the size of that parcel.

The current designated Alternate Site is approximately 47.8 acres, covering portions of FPASP Parcels 25 and 26. This area has land use designations of Single Family and Single-Family High Density. Park uses are permitted by right under both designations. However, Section 2.2.3.2 of the ARDAs states that even as the designated Alternate Site, use of them for Community Park West would require a Specific Plan Amendment and accompanying environmental review.

Exhibit 1: Development Agreement Exhibit 2.2.3.2 (Existing)

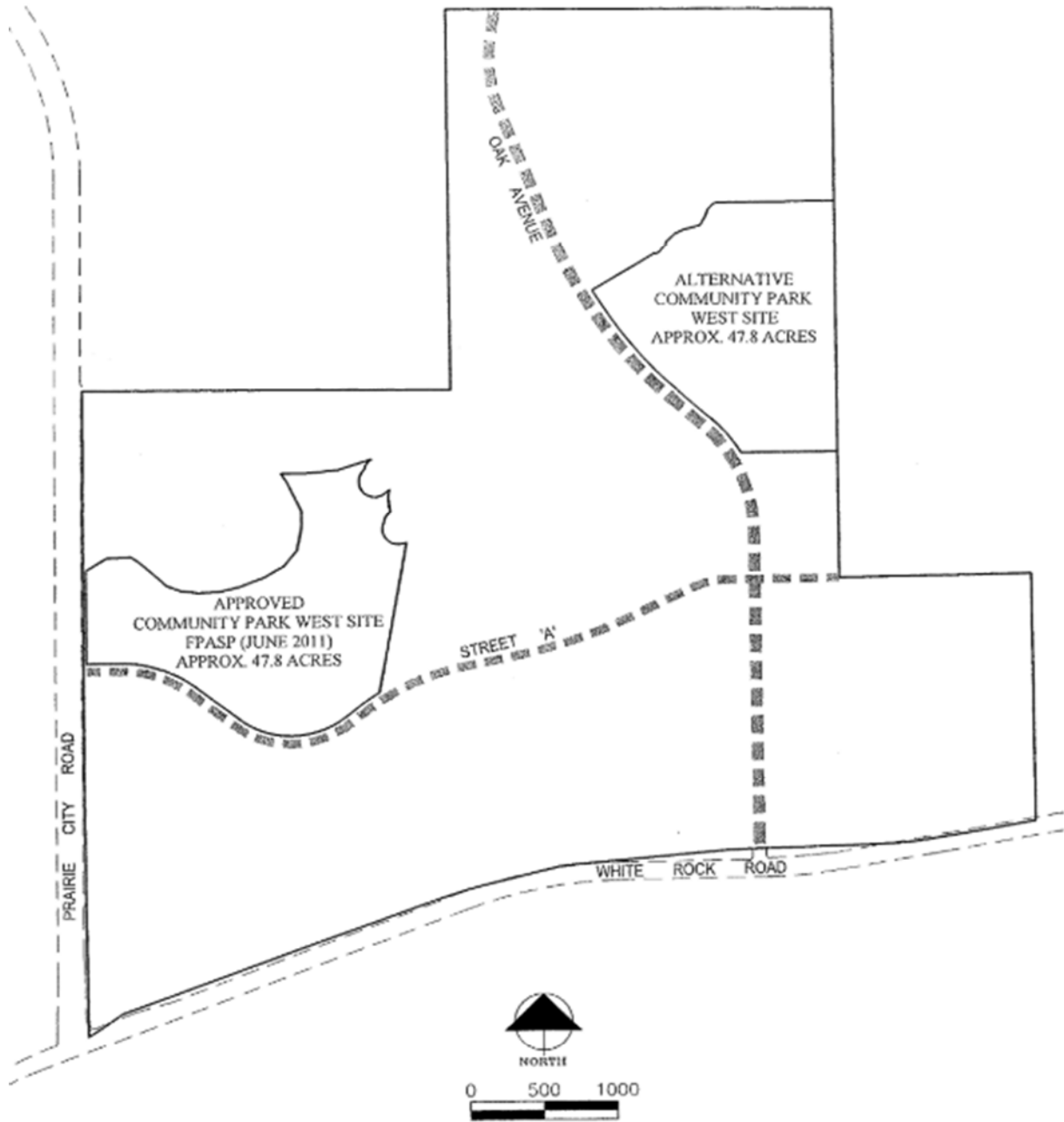


EXHIBIT 2.2.3.2
ALTERNATIVE SITE
COMMUNITY PARK WEST

Exhibit 2: Development Agreement Exhibit 2.2.3.2 (Proposed)

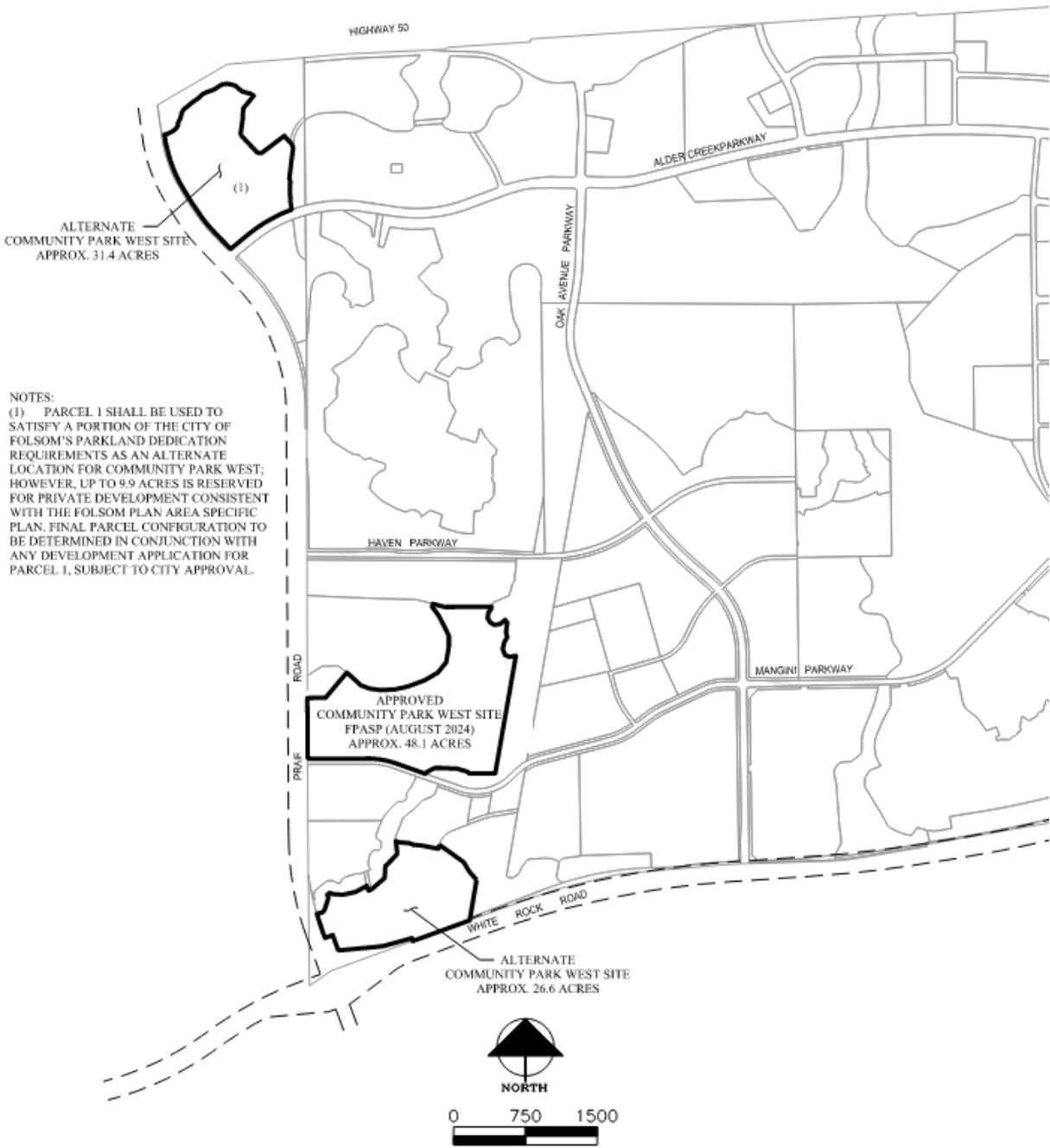


EXHIBIT 2.2.3.2 (Amended)
ALTERNATIVE SITE
COMMUNITY PARK WEST

POLICY / RULE

Government Code Section 65864 et seq. allows cities to enter into development agreements with property owners to provide for greater certainty in development project review and the ability to move public facility improvements forward in a timely manner. As the Legislative Body for the City of Folsom, the City Council will be the approval authority for the requested Development Agreement Amendments, which will be done by uncodified Ordinance, pursuant to City Council Resolution No. 2370.

ANALYSIS

The applicant reviewed numerous options for a new Alternate Site with staff of the City Parks Department and Community Development Department. The following criteria were used by City staff to review the options and determine whether they were acceptable:

1. The Alternate Site or Sites must be equal in acreage to the designated Community Park West site (48.1 acres) to ensure parkland dedication remains consistent with Quimby regulations.
2. Park use must be permitted on the Alternate Site or Sites.
3. The Alternate Site or Sites must serve the western area of the Specific Plan anticipated for Community Park West, as shown in Figure 9.1 of the Specific Plan.
4. The Alternate Site or Sites cannot be designated Open Space land unless other non-Open Space land is redesigned for Open Space in an equal amount to maintain Measure W Open Space requirements.
5. The Alternate Site or Sites cannot impact hardline preserve areas or require removal of oak woodland beyond that anticipated under the Specific Plan Environmental Impact Report/Environmental Impact Statement (EIR/EIS).
6. The Alternate Site or Sites must be large enough to be programmed for the active recreational uses and ancillary facilities anticipated for Community Parks in the Specific Plan.

Ultimately, the two Alternate Sites shown in the proposed amended Exhibit 2.2.3.2 were proposed by the applicant and determined by city staff to meet all the listed criteria:

1. The applicant was unable to identify a single site that met the city's criteria, and so is proposing two sites. One site is 26.6 acres comprising FPASP Parcel 11 (8.56 acres), and a portion of FPASP Parcel 12 (18.04 acres). The other site is a portion of FPASP Parcel 1 (21.5 acres). The two sites total 48.1 acres, equivalent to the current Community Park West site.
2. The two Alternate Sites are designated as Industrial, Single-Family High Density Residential (northern site), and Multi-Family Medium Density (southern site) under the Specific Plan. Park uses are permitted by right under both designations. As with the current Alternate Site, a Specific Plan Amendment and accompanying environmental review would be required to change the land use designation to Parks, which is required under the ARDA language.
3. The two Alternate Sites are both in the western portion of the Specific Plan and can serve the same development area when considered together.

4. The two Alternate Sites do not contain parcels designated as Open Space.
5. The two Alternate Sites do not impact hardline preserve areas. Up to 10 acres of oak woodland could be affected on FPASP Parcel 1, however this impact was anticipated by the FPASP EIR/EIS and ultimately could be less depending on how the park and private development on the site are designed.
6. At the request of the City Parks Department, the applicant worked with a park planning consultant to diagram potential programming for both park sites, such as baseball fields, soccer fields, parking lots, and restrooms. Staff of the Parks Department reviewed the diagrams and were comfortable that the programming for Community Park West could be accommodated by these two new sites, if both remained a minimum of 20 acres.

Staff support moving the designated Alternate Site as proposed. To be clear, the requested amendments do not change the land use designations for the subject parcels or relocate Community Park West. They only result in a change to the area that is required to be held under an Irrevocable Offer of Dedication (IOD) held by the city unless and until the Community Park West site receives regulatory clearance by the U.S. EPA. If the Community Park West site becomes available as anticipated, the IOD would be rejected by the city and development of the sites could proceed as anticipated by the Specific Plan. Should there be a need to use the Alternate Sites for parkland, the city may accept the IOD. However, as mentioned in this report, the ARDA language also states that the owner of the Alternate Sites (currently the applicant) must process a Specific Plan Amendment to use the Alternate Sites as Parkland, requiring a public hearing process and accompanying environmental review.

The Planning Commission considered this request at their March 18, 2026, hearing and voted to recommend approval to the City Council (6-0-1 absence).

FINANCIAL IMPACT

There is no financial impact on the General Fund.

ENVIRONMENTAL REVIEW

While park use is allowed under the land use designations of the proposed Alternate Site parcels, a Specific Plan Amendment will be required before these parcels can be developed for use as parkland per the ARDA requirements. Accompanying environmental review will also be required. Therefore, the requested amendments to the Development Agreements are exempt from environmental review pursuant to CEQA Guidelines Section 10561(b)(3) because subsequent land use approvals are required before any park development can occur on the sites which are the subject of this request, so it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. No environmental review is required as a part of the application for amendments to the Development Agreements which are the subject of this public hearing.

ATTACHMENTS

1. Ordinance No. 1363- An uncodified ordinance of the City of Folsom approving

- Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Alder Creek West Improvement Company, LLC, with respect to property previously owned by Hillsborough North, LLC.
2. Ordinance No. 1364- An uncodified ordinance of the City of Folsom approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Alder Creek West Improvement Company, LLC, with respect to property previously owned by Prairie City Commercial Properties, LLC.
 3. Ordinance No. 1365- An uncodified ordinance of the City of Folsom approving Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement By and Between the City of Folsom and Alder Creek West Improvement Company, LLC, with respect to property previously owned by West Hillsborough Investors, LLC.
 4. Tier One Amended and Restated Development Agreement Between the City of Folsom and Aerojet Rocketdyne, Inc. and Easton Development Company, LLC

Submitted,



PAM JOHNS
Community Development Director

Attachment 1

ORDINANCE NO. 1363

**AN UNCODIFIED ORDINANCE OF THE CITY OF FOLSOM APPROVING
AMENDMENT NO. 2 TO THE FIRST AMENDED AND RESTATED TIER 1
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF FOLSOM AND ALDER CREEK WEST IMPROVEMENT COMPANY,
LLC, WITH RESPECT TO PROPERTY PREVIOUSLY OWNED BY HILLSBOROUGH
NORTH, LLC**

WHEREAS, a Final Environmental Impact Report/Environmental Impact Statement for the Folsom Plan Area Specific Plan was prepared and certified by the City Council on June 11, 2011, and the Sacramento Local Agency Formation Commission approved the City's annexation of the Folsom Plan Area on January 18, 2012; and

WHEREAS, pursuant to the authority in Sections 65864 through 65869.5 of the Government Code, the City Council, following a duly noticed public hearing on June 28, 2011, approved the Tier 1 Development Agreement relative to the Folsom South Specific Plan (Tier 1 DA) for the development of the Folsom Plan Area by adopting Ordinance No. 1149 on July 12, 2011; and

WHEREAS, pursuant to the authority in Sections 65864 through 65869. 5 of the Government Code, the City Council, following a duly noticed public hearing on May 27, 2014, approved the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Aerojet Rocketdyne, Inc. and Easton Development Company, LLC relative to the Folsom South Specific Plan (ARDA) by adopting Ordinance No. 1207 on June 10, 2014; and

WHEREAS, the ARDA includes a requirement for the landowners to designate an Alternate Site to be used in the event that the property designated in the Folsom Plan Area Specific Plan as Community Park West is unavailable for use as a park site when specified triggers are hit; and

WHEREAS, Alder Creek West Improvement Company, LLC is the landowner and successor in interest to Aerojet Rocketdyne, Inc. and Easton Development Company, LLC for the property which is the subject of this Ordinance; and

WHEREAS, the proposed Toll Brothers at Alder Creek project consists of the development of a 1,422-unit residential community on 464 acres located within the Folsom Plan Area, which includes the land currently identified in the ARDA as the Alternate Park Site; and

WHEREAS, the City, the landowner, and the developer of the Toll Brothers at Alder Creek project desire to amend the ARDA in order to relocate the designated Alternate Site for Community Park West, in order for development of the project to proceed; and

WHEREAS, the Planning Commission, at its regular meeting on March 18, 2026, considered Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC, with respect to property previously owned by Hillsborough North, LLC , relative to the Alternate Site for Community Park West at a duly noticed public hearing as prescribed by law, and recommended that the City Council approve said Amendment No. 2; and

WHEREAS, all notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

NOW, THEREFORE, the City Council of the City of Folsom hereby does ordain as follows:

SECTION 1 FINDINGS

- A. The above recitals are true and correct and incorporated herein by reference.
- B. Amendment No .2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by Hillsborough North, LLC (Amendment No. 2) is consistent with the objectives, policies, general land uses and programs specified in the City’s General Plan and the Folsom Plan Area Specific Plan.
- C. Amendment No. 2 is in conformity with public convenience, general welfare, and good land use practices.
- D. Amendment No. 2 will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole.
- E. Amendment No. 2 will not adversely affect the orderly development of property or the preservation of property values.
- F. Amendment No. 2 has been prepared in accordance with, and is consistent with, Government Code Sections 65864 through 65869.5, and City Council Resolution No. 2370.
- G. All notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

H. Pursuant to the applicable Amended and Restated Development Agreement, a Specific Plan Amendment and accompanying environmental review are required before the proposed Alternate Park Site parcels can be developed for use as Community Park West.

I. Amendment No. 2 is exempt from environmental review pursuant to CEQA Guidelines Section 15061(B)(3) because there is no possibility that the requested amendments may have a significant effect on the environment due to the fact that subsequent land use approvals and associated environmental review are required before the parcels at issue could be developed for use as Community Park West .

SECTION 2 APPROVAL OF AMENDMENT TO DEVELOPMENT AGREEMENT

The Mayor is hereby authorized and directed to execute Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by Hillsborough North, LLC, on behalf of the City after the effective date of this Ordinance.

SECTION 3 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 4 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 14, 2026 and the second reading occurred at the regular meeting of the City Council on April 28, 2026.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this April 28, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 2

ORDINANCE NO. 1364

**AN UNCODIFIED ORDINANCE OF THE CITY OF FOLSOM APPROVING
AMENDMENT NO. 2 TO THE FIRST AMENDED AND RESTATED TIER 1
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF FOLSOM AND ALDER CREEK WEST IMPROVEMENT COMPANY,
LLC, WITH RESPECT TO PROPERTY PREVIOUSLY OWNED BY PRAIRIE CITY
COMMERCIAL PROPERTIES, LLC**

WHEREAS, a Final Environmental Impact Report/Environmental Impact Statement for the Folsom Plan Area Specific Plan was prepared and certified by the City Council on June 11, 2011, and the Sacramento Local Agency Formation Commission approved the City's annexation of the Folsom Plan Area on January 18, 2012; and

WHEREAS, pursuant to the authority in Sections 65864 through 65869.5 of the Government Code, the City Council, following a duly noticed public hearing on June 28, 2011, approved the Tier 1 Development Agreement relative to the Folsom South Specific Plan (Tier 1 DA) for the development of the Folsom Plan Area by adopting Ordinance No. 1149 on July 12, 2011; and

WHEREAS, pursuant to the authority in Sections 65864 through 65869. 5 of the Government Code, the City Council, following a duly noticed public hearing on May 27, 2014, approved the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Aerojet Rocketdyne, Inc. and Easton Development Company, LLC relative to the Folsom South Specific Plan (ARDA) by adopting Ordinance No. 1207 on June 10, 2014; and

WHEREAS, the ARDA includes a requirement for the landowners to designate an Alternate Site to be used in the event that the property designated in the Folsom Plan Area Specific Plan as Community Park West is unavailable for use as a park site when specified triggers are hit; and

WHEREAS, Alder Creek West Improvement Company, LLC is the landowner and successor in interest to Aerojet Rocketdyne, Inc. and Easton Development Company, LLC for the property which is the subject of this Ordinance; and

WHEREAS, the proposed Toll Brothers at Alder Creek project consists of the development of a 1,422-unit residential community on 464 acres located within the Folsom Plan Area, which includes the land currently identified in the ARDA as the Alternate Park Site; and

WHEREAS, the City, the landowner, and the developer of the Toll Brothers at Alder Creek project desire to amend the ARDA in order to relocate the designated Alternate Site for Community Park West, in order for development of the project to proceed; and

WHEREAS, the Planning Commission, at its regular meeting on March 18, 2026, considered Amendment No. 2 to the First Amended and Restated Tier 1 Development

Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by Prairie City Commercial Properties, LLC, relative to the Alternate Site for Community Park West at a duly noticed public hearing as prescribed by law, and recommended that the City Council approve said Amendment No. 2; and

WHEREAS, all notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

NOW, THEREFORE, the City Council of the City of Folsom hereby does ordain as follows:

SECTION 1 FINDINGS

A. The above recitals are true and correct and incorporated herein by reference.

B. Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by Prairie City Commercial Properties, LLC (Amendment No. 2) is consistent with the objectives, policies, general land uses and programs specified in the City's General Plan and the Folsom Plan Area Specific Plan.

C. Amendment No. 2 is in conformity with public convenience, general welfare, and good land use practices.

D. Amendment No. 2 will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole.

E. Amendment No. 2 will not adversely affect the orderly development of property or the preservation of property values.

F. Amendment No. 2 has been prepared in accordance with, and is consistent with, Government Code Sections 65864 through 65869.5, and City Council Resolution No. 2370.

G. All notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

H. Pursuant to the applicable Amended and Restated Development Agreement, a Specific Plan Amendment and accompanying environmental review are required before the proposed Alternate Park Site parcels can be developed for use as Community Park West.

I. Amendment No. 2 is exempt from environmental review pursuant to CEQA Guidelines Section 15061(B)(3) because there is no possibility that the requested amendments may have a significant effect on the environment due to the fact that subsequent land use approvals and associated environmental review are required before the parcels at issue could be developed for use as Community Park West .

SECTION 2 APPROVAL OF AMENDMENT TO DEVELOPMENT AGREEMENT

The Mayor is hereby authorized and directed to execute Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by Prairie City Commercial Properties, LLC, on behalf of the City after the effective date of this Ordinance.

SECTION 3 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 4 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on -April 14, 2026 and the second reading occurred at the regular meeting of the City Council on -April 28, 2026.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this April 28, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):

ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 3

ORDINANCE NO. 1365

**AN UNCODIFIED ORDINANCE OF THE CITY OF FOLSOM APPROVING
AMENDMENT NO. 2 TO THE FIRST AMENDED AND RESTATED TIER 1
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF FOLSOM AND ALDER CREEK WEST IMPROVEMENT COMPANY,
LLC, WITH RESPECT TO PROPERTY PREVIOUSLY OWNED BY WEST
HILLSBOROUGH INVESTORS, LLC**

WHEREAS, a Final Environmental Impact Report/Environmental Impact Statement for the Folsom Plan Area Specific Plan was prepared and certified by the City Council on June 11, 2011, and the Sacramento Local Agency Formation Commission approved the City's annexation of the Folsom Plan Area on January 18, 2012; and

WHEREAS, pursuant to the authority in Sections 65864 through 65869.5 of the Government Code, the City Council, following a duly noticed public hearing on June 28, 2011, approved the Tier 1 Development Agreement relative to the Folsom South Specific Plan (Tier 1 DA) for the development of the Folsom Plan Area by adopting Ordinance No. 1149 on July 12, 2011; and

WHEREAS, pursuant to the authority in Sections 65864 through 65869. 5 of the Government Code, the City Council, following a duly noticed public hearing on May 27, 2014, approved the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Aerojet Rocketdyne, Inc. and Easton Development Company, LLC relative to the Folsom South Specific Plan (ARDA) by adopting Ordinance No. 1207 on June 10, 2014; and

WHEREAS, the ARDA includes a requirement for the landowners to designate an Alternate Site to be used in the event that the property designated in the Folsom Plan Area Specific Plan as Community Park West is unavailable for use as a park site when specified triggers are hit; and

WHEREAS, Alder Creek West Improvement Company, LLC is the landowner and successor in interest to Aerojet Rocketdyne, Inc. and Easton Development Company, LLC for the property which is the subject of this Ordinance; and

WHEREAS, the proposed Toll Brothers at Alder Creek project consists of the development of a 1,422-unit residential community on 464 acres located within the Folsom Plan Area, which includes the land currently identified in the ARDA as the Alternate Park Site; and

WHEREAS, the City, the landowner, and the developer of the Toll Brothers at Alder Creek project desire to amend the ARDA in order to relocate the designated Alternate Site for Community Park West, in order for development of the project to proceed; and

WHEREAS, the Planning Commission, at its regular meeting on March 18, 2026, considered Amendment No. 2 to the First Amended and Restated Tier 1 Development

Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by West Hillsborough Investors, LLC, relative to the Alternate Site for Community Park West at a duly noticed public hearing as prescribed by law, and recommended that the City Council approve said Amendment No. 2; and

WHEREAS, all notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

NOW, THEREFORE, the City Council of the City of Folsom hereby does ordain as follows:

SECTION 1 FINDINGS

A. The above recitals are true and correct and incorporated herein by reference.

B. Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by West Hillsborough Investors, LLC (Amendment No. 2) is consistent with the objectives, policies, general land uses and programs specified in the City's General Plan and the Folsom Plan Area Specific Plan.

C. Amendment No. 2 is in conformity with public convenience, general welfare, and good land use practices.

D. Amendment No. 2 will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole.

E. Amendment No. 2 will not adversely affect the orderly development of property or the preservation of property values.

F. Amendment No. 2 has been prepared in accordance with, and is consistent with, Government Code Sections 65864 through 65869.5, and City Council Resolution No. 2370.

G. All notices have been given at the time and in the manner required by State Law and the Folsom Municipal Code.

H. Pursuant to the applicable Amended and Restated Development Agreements, a Specific Plan Amendment and accompanying environmental review are required before the proposed Alternate Park Site parcels can be developed for use as Community Park West.

I. Amendment No. 2 is exempt from environmental review pursuant to CEQA Guidelines Section 15061(B)(3) because there is no possibility that the requested amendments may have a significant effect on the environment due to the fact that subsequent land use approvals and associated environmental review are required before the parcels at issue could be developed for use as Community Park West.

SECTION 2 APPROVAL OF AMENDMENT TO DEVELOPMENT AGREEMENT

The Mayor is hereby authorized and directed to execute Amendment No. 2 to the First Amended and Restated Tier 1 Development Agreement by and between the City of Folsom and Alder Creek West Improvement Company, LLC with respect to property previously owned by West Hillsborough Investors, LLC, on behalf of the City after the effective date of this Ordinance.

SECTION 3 SEVERABILITY

If any section, subsection, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid, or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council declares that it would have passed each section irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared unconstitutional, invalid, or ineffective.

SECTION 4 EFFECTIVE DATE

This ordinance shall become effective thirty (30) days from and after its passage and adoption, provided it is published in full or in summary within twenty (20) days after its adoption in a newspaper of general circulation in the City.

This ordinance was introduced and the title thereof read at the regular meeting of the City Council on April 14, 2026 and the second reading occurred at the regular meeting of the City Council on -April 28, 2026.

On a motion by Councilmember _____ seconded by Councilmember _____, the foregoing ordinance was passed and adopted by the City Council of the City of Folsom, State of California, this -April 28, 2028, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Justin Raithel, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

Attachment 4

FOR THE BENEFIT OF THE CITY OF FOLSOM
PURSUANT TO GOVERNMENT CODE §6103

RECORDING REQUESTED BY CITY CLERK

WHEN RECORDED MAIL TO:

City Clerk
City of Folsom
50 Natoma Street
Folsom, CA 95630



Sacramento County Recorder
David Villanueva, Clerk/Recorder
BOOK **20140715** PAGE **0552** ✓

Tuesday, JUL 15, 2014 10:18:25 AM
Ttl Pd \$0.00 Rcpt # 0008278067

TML/85/1-92

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**FIRST AMENDED AND RESTATED TIER 1 DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF FOLSOM AND
AEROJET ROCKETDYNE, INC. AND EASTON DEVELOPMENT COMPANY, LLC
RELATIVE TO THE FOLSOM SOUTH SPECIFIC PLAN**



Folsom File No. 174-21 14-035
ORD 1207 06/10/2014



33014

**FIRST AMENDED AND RESTATED TIER 1 DEVELOPMENT AGREEMENT
RELATIVE TO THE FOLSOM SOUTH SPECIFIC PLAN**

TABLE OF INDEX

RECITALS 1

ARTICLE 1 – GENERAL PROVISIONS 4

 1.1 Incorporation of Recitals 4

 1.2 Property Description and Binding Covenants 4

 1.3 Definitions 4

 1.4 Term 9

 1.4.1 Commencement; Extension; Expiration 9

 1.4.2 Tolling and Extension During Judicial Legal Challenge or Moratoria ... 10

 1.5 Amendment of Restated Agreement 10

 1.5.1 Required Provisions in Subsequent Tier 2 Development Agreements and
Amendments to Incorporate Subsequent Entitlements 10

 1.5.2 No Amendment Required for Minor Administrative Modifications 12

 1.5.3 Amendments to Restated Agreement after Approval of Subsequent
Entitlements 12

 1.5.3.1 Specific Plan Amendment Cut-Off Date 13

 1.5.4 Recordation Upon Amendment or Termination 13

ARTICLE 2 – DEVELOPMENT OF THE PROPERTY 14

 2.1 Permitted Uses 14

 2.2 Vested Rights 14

 2.2.1 Vested Provisions of the PFFP 14

 2.2.2 Vested Provisions of the Specific Plan 15

 2.2.3 Exceptions to Vested Rights 15

 2.2.3.1 Affordable Housing 16

 2.2.3.2 Area 40 – Community Park West 16

 2.2.3.3 Quarry Traffic 19

 2.2.3.4 Corporation Yard 20

 2.2.3.4.1 Purchase of Corporation Yard 20

 2.2.3.5 PFFP and SPIF 21

 2.2.3.6 Adjustment to SPIF After July 1, 2016 22

 2.2.4 City Fees and New Plan Area Fees, Including Cost Increases 23

 2.2.4.1 Re-Opener on New Plan Area Fees for City Facilities 25

 2.2.5 Police Powers and Citywide Ordinances 25

 2.2.6 Application of Changes Due to State and Federal Laws 26

 2.2.7 Uniform Codes and Standard Construction Specifications 26

 2.2.8 Conflict Between Existing Rules, Entitlements and Restated Agreement
..... 26

 2.3 Density Transfer 27

2.4 Subsequent Entitlements	27
2.5 Ordinance, Resolution and Officially Adopted Rules	27
2.5.1 Conflicting Ordinances or Moratoria	27
2.5.2 Authority of City	27
2.5.3 Requirements for Subsequent Plans, Guidelines, Funding Mechanisms, Community Facilities Districts and Land Dedications	27
2.5.4 Satisfaction of LAFCO Conditions	30
2.5.5 Mather Noise Easements	30
2.5.6 School Impact Mitigation	30
2.6 Application, Development and Project Implementation Fees	30
ARTICLE 3 – LANDOWNER OBLIGATIONS	31
3.1 Development, Connection and Mitigation Fees	31
3.2 Infrastructure CFDs	31
3.2.1 Participation by Landowner	31
3.2.2 Formation of CFD Subject to City Discretion	31
3.3 Alternative Financing Mechanisms	32
3.4 Disclosure of Subsequent Purchasers	32
3.5 EIR Mitigation Measures	32
3.6 Mitigation Monitoring and Reporting Program	32
3.7 Backbone Infrastructure	32
3.7.1 White Rock Road Improvements	33
3.8 Dedications of Backbone Lands	34
3.8.1 Temporary Construction Easements	34
3.8.2 Manner of Dedication	35
3.8.3 Adjustments to Dedications	35
3.8.4 Release of Excess Offers of Dedication/No Compensation	35
3.8.5 Dedication of Public Parcels.....	35
3.8.5.1 Maintenance of Open Space/Public Property/Fuel Modification Area	36
3.9 Phasing of Development.....	36
3.9.1 Phasing of Necessary Backbone Infrastructure Through Map Conditions	37
3.9.2 Phasing of In-Tract Improvements	38
3.10 Park Improvement and Trail Funding and Construction.....	38
3.11 Timing of Access Improvements for Fire Stations.....	39
3.12 Reimbursement of Pro Rata Share of City Costs for Compliance with Requirements of this Restated Agreement.....	39
3.13 Sales Tax Point of Sale in City of Folsom.....	39
ARTICLE 4 – CITY OBLIGATIONS	40
4.1 City Cooperation	40
4.2 New Plan Area Fees	40
4.2.1 Specific Plan Reimbursement Fee	41
4.2.1.1 No SPRF Reimbursements or Credits on Default	42
4.2.2 Specific Plan Infrastructure Fee	42
4.2.2.1 No SPIF Reimbursement for Required Park Dedication	43

4.2.2.2 No SPIF Reimbursements or Credits on Default	43
4.3 Reimbursements/Credits Personal to Dedicating and Constructing Owner	43
4.4 Collection and Administration of New Plan Area Fees	44
4.5 Applications for Permits and Entitlements	45
4.5.1 Plan Check	46
4.5.2 Compliance with Government Code Section 66473.7	46
4.6 Water Supply	46
4.7 City Acceptance of Conservation Easement(s) on Open Space	46
4.8 City/County SCDTF Agreement/Highway 50 Coalition Fee	46
4.9 Assistance with Acquisition of Necessary Real Property Interests	47
ARTICLE 5 – DEFAULT, REMEDIES, TERMINATION	48
5.1 General Provisions	48
5.2 Annual Review	49
5.2.1 Permitted Delay, Extension of Times of Performance	49
5.2.2 Permitted Extensions by City	49
5.3 Legal Action; No Obligation to Develop; Specific Enforcement	50
5.4 Automatic Termination Upon Completion and Sale of Residential Unit	50
5.5 Termination Upon Landowner Request	51
5.6 Effect of Termination	51
5.7 No Protest or Challenge to Fees	52
5.8 Applicable Law	52
ARTICLE 6 – HOLD HARMLESS AND COOPERATION	52
6.1 Hold Harmless	52
6.2 Cooperation and Defense in the Event of Legal Challenge	53
ARTICLE 7 – GENERAL	53
7.1 Enforceability	53
7.2 City Finding	53
7.3 Third Party Beneficiaries	53
7.4 Project as a Private Undertaking	53
7.5 Notices	54
7.6 Severability	54
7.7 Construction	55
7.8 Other Necessary Acts	55
7.9 Estoppel Certificate	55
7.10 Mortgagee Protection	55
7.11 Assignment	56
7.12 Entire Agreement	56
SIGNATURES	57
LIST OF EXHIBITS	58

FIRST AMENDED AND RESTATED TIER 1 DEVELOPMENT AGREEMENT RELATIVE TO THE FOLSOM SOUTH SPECIFIC PLAN

This First Amended and Restated Tier 1 Development Agreement (the "Restated Agreement") is entered into this ____ day of _____, 2014, by and between the City of Folsom ("City") and Aerojet Rocketdyne, Inc., an Ohio Corporation ("Landowner") and Easton Development Company, LLC, a California Limited Liability Company ("Landowner") pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of California. All capitalized terms used herein and not otherwise defined herein shall mean and refer to those terms as defined in Section 1.3 of the Tier 1 Development Agreement between the parties hereto.

RECITALS

A. Tier 1 Development Agreement. The City and Landowner (or Landowner's predecessor-in-interest, as reflected in the definition of "Landowner" in the Tier 1 Development Agreement), previously entered into that certain Tier 1 Development Agreement By and Between the City of Folsom and Michele M. Carr and Melissa A. Barron, Et. Al., Relative to the Folsom South Specific Plan, dated August 2, 2011 and recorded on August 3, 2011, in the Official Records of the County Recorder of Sacramento County in Book 20110803, Page 0422 (the "Agreement"). Section 1.5 of the Agreement allows the Agreement to be amended from time to time by mutual written consent of the parties.

B. Purpose of Restated Agreement. The City and Landowner desire to provide greater certainty and clarity to matters that are common, necessary and essential for the development of the Property in the Plan Area, including but not limited to dedication of open space and land for public facilities, environmental mitigation and monitoring, as well as the contribution and reimbursement of the facilities' costs and services by and amongst Landowner and its successors-in-interest. Additionally, Landowner desires to proceed with Development consistent with the Entitlements or any Subsequent Entitlements that may be included within the scope of this Restated Agreement as those terms are described herein. As contemplated and required by the Tier 1 Development Agreement, prior to any Development being approved for or occurring within the Property (including any approval of tentative residential small-lot subdivision maps or grading or construction of any improvements within or serving the Property), Landowner must obtain approval from the City of a Tier 2 Development Agreement (as defined herein). This Restated Agreement is intended to replace the Tier 1 Development Agreement for the Property, implement the requirements of the Entitlements and the Specific Plan EIR as applied to Development of the Property, satisfy the condition for a Tier 2 Development Agreement prior to Development of the Property, and establish a process for evaluating the inclusion of future Specific Plan Amendments within the scope of this Restated Agreement in the event such amendments are approved by the City Council.

C. Effect of Restated Agreement. The Tier 1 Development Agreement requires the agreement and approval of a Tier 2 Development Agreement in conjunction with subsequent project-specific approvals, and prior to physical development of the Property. This Restated Agreement shall be deemed to implement and satisfy this requirement. Accordingly, upon the recordation of this Restated Agreement in the Official Records of Sacramento County, the Tier 1 Development Agreement, as applied to the Property, shall be deemed amended and replaced in its entirety by this Restated Agreement. The replacement of the Tier 1 Development Agreement by this Restated Agreement as to the Property shall not affect or impair the continuing validity of the Tier 1 Development Agreement and encumbrance thereof on other properties within the Plan Area that do not have an approved, executed and recorded Tier 2 Development Agreement or this Restated Agreement.

D. Property. The subject of this Restated Agreement is the development of the Property and the Plan Area. Landowner owns or has the right to acquire the Property and represents that all persons holding legal or equitable interests in the Property shall be bound by this Restated Agreement.

E. Specific Plan and Public Facilities Financing Plan. The City Council adopted the Specific Plan which Plan is applicable to the Property pursuant to Resolution No. 8863 on June 28, 2011. The City Council also approved the Public Facilities Financing Plan pursuant to Resolution No. 9298 on January 28, 2014 related to the planned development of the Specific Plan, consistent with the requirements of the Tier 1 Development Agreement.

F. Hearings. On May 7, 2014, the City Planning Commission, designated as the planning agency for purposes of development agreement review pursuant to Government Code Section 65867, in a duly noticed and conducted public hearing, considered this Restated Agreement and recommended that the City Council approve this Restated Agreement.

G. Mitigation Measures. Mitigation measures were recommended in the Specific Plan EIR and Supplemental Environmental Review(s), if any, related to the City's approval of the Specific Plan, the Agreement, and this Restated Agreement, and have been incorporated in the Specific Plan and the Entitlements and in the terms and conditions of this Restated Agreement, as reflected by the findings adopted by the City Council concurrently with this Restated Agreement.

H. Entitlements. Following consideration and certification of the aforementioned Specific Plan EIR, any Supplemental Environmental Review(s), and CEQA related findings, the City Council has adopted applicable statement(s) of overriding considerations and has approved the following Entitlements that are currently applicable to the Property, which Entitlements are the subject of this Restated Agreement:

1. The General Plan;

2. The Specific Plan;
3. This Restated Agreement;
4. The Public Facilities Financing Plan (the "PFFP"); and
5. The City and Landowner acknowledge that Design Guidelines for the Plan Area will be presented to the City by Landowners and other Participating Landowners for review and approval by the City. Upon approval of the Design Guidelines by the City, such Design Guidelines shall be an Entitlement without the necessity of further amendment to this Restated Agreement.

I. General and Specific Plans. Development of the Property in accordance with the Entitlements and this Restated Agreement will provide orderly growth and development of the area in accordance with the policies set forth in the General Plan and the Specific Plan.

J. Substantial Costs to Landowner. Landowner has incurred and will incur substantial costs in order to implement the Specific Plan and to assure Development in accordance with the Entitlements and the terms of this Restated Agreement.

K. Need for Services and Facilities. Development of the Property will result in a need for urban services and facilities, which services and facilities will be provided by City and other public agencies to such Development subject to the performance of Landowner's obligations hereunder, including but not limited to Landowner's obligation to fund such facilities and services.

L. Contribution to Costs of Facilities and Services. Landowner agrees as provided herein to provide for the costs of such public facilities, services and infrastructure, including but not limited to the Backbone Infrastructure required for the Development of the Property and/or required by the Entitlements, and to mitigate impacts on the City of the Development. City agrees to provide municipal services subject to Landowner's payment of such costs and compliance with the terms and conditions in this Restated Agreement. Landowner, through the development of its Property in accordance with the Entitlements and this Restated Agreement, will contribute as part of the Specific Plan towards providing a mix of housing and commercial uses meeting a range of needs for the City, dedication of land for, and funding of, public facilities, open space, parkland and related park amenities, and other services and amenities that will be of benefit to the future residents of the City.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

ARTICLE 1

GENERAL PROVISIONS

1.1 Incorporation of Recitals. The Recitals above are true and correct and constitute enforceable provisions of this Restated Agreement.

1.2 Property Description and Binding Covenants. Upon recordation of this Restated Agreement pursuant to Section 1.4.1 below, the provisions of this Restated Agreement shall constitute covenants which shall run with the Property and the benefits and burdens hereof shall bind and inure to all successors-in-interest to and assigns of the parties hereto. Accordingly, all references herein to "Landowner" shall include each and every subsequent purchaser or transferee of the Property, or any portion thereof, from Landowner, whether or not such purchaser or transferee executes an assumption of this Restated Agreement with respect thereto.

1.3 Definitions.

"Adopting Ordinance" means Ordinance No. 1207, dated June 10, 2014, approving this Restated Agreement.

"Advancing Owners" means the landowners within the Plan Area described in Section 4.2.1 and listed as Advancing Owners in Exhibit 4.2.1 of this Restated Agreement.

"Aerojet/Easton Property" means the real property located within the Specific Plan owned by Aerojet Rocketdyne, Inc. and Easton Development Company, LLC, as of the Effective Date, as more particularly shown on Exhibit 2.2.3.2 attached hereto and made a part hereof.

"Agreement" means the Tier I Development Agreement dated August 2, 2011.

"Area 40" means that portion of the Aerojet/Easton Property adjacent to Prairie City Road in the Specific Plan area as delineated by the EPA in the Superfund cleanup effort as depicted on Exhibit 2.2.3.2

"Backbone Infrastructure" means the infrastructure described on Exhibit 2.2.1, attached hereto and made part hereof.

"Backbone Lands" means the land areas within the Specific Plan as shown on Exhibit 3.8.

"CEQA" means the California Environmental Quality Act, Public Resources Code Section 21000 et seq., and all regulations and guidelines promulgated thereunder.

“City” means the City of Folsom, a municipal corporation.

“City Council” means the City Council of the City.

“City Zoning Ordinance” means the provisions of the City Municipal Code, Title 17 et seq.

“CFD” means a Community Facilities District established pursuant to the CFD Act.

“CFD Act” means the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 et seq.), and the City of Folsom Community Financing Law (Folsom Municipal Code Chapter 3.110) as amended from time to time.

“Community Development Department” means the Community Development Department of the City.

“Community Development Director” means the Community Development Director of the City.

“Constructing Owner” means either Landowner or any other Participating Landowner who elects to construct any PFFP Facilities.

“Constructing Owner’s Property” means the property within which any fee credits associated with the Constructing Owner’s construction of any PFFP Facilities may be applied, as more particularly described in Section 4.3 below.

“Day(s)” means business day(s), except as expressly stated herein.

“Design Guidelines” means the design guidelines for the FPA approved by the City, and thereafter to be applied by the City to guide and evaluate the design of certain improvements within the Plan Area.

“Develop” or “Development” means any development, construction and use of the Property pursuant to a lawfully issued permit by the City of Folsom in furtherance of the Specific Plan and the Entitlements, including without limitation, the processing and approval of any tentative or final Large-Lot or Small-Lot Maps.

“Development Agreement Statute” means Government Code Section 65864, et seq.

“Development Phase” or “Phase” means a Development Phase as described in Section 3.9 and subsections to Section 3.9 of this Restated Agreement.

“Effective Date” means the date which is thirty (30) calendar days after the date of the Adopting Ordinance approving this Restated Agreement.

“Entitlements” means the entitlements described in items 1 through 5, inclusive, of Recital I above, and those Specific Plan Amendments referenced in Section 1.5.3 of this Restated Agreement.

“Existing Fees” means the development impact and mitigation fees existing in the City as of the Effective Date of the Agreement set forth in Exhibit 2.2.4 attached hereto.

“Existing Rules”, unless otherwise expressly provided in this Restated Agreement or the Entitlements, means City’s ordinances, and resolutions in force and effect on the Effective Date of the Agreement.

“FPA” means the Folsom Plan Area annexed by the City of Folsom on or about January 18, 2012.

“General Plan” means the Folsom General Plan, as amended by Resolution No. 8861.

“Infrastructure CFD” means a CFD formed to finance (i) the acquisition and/or construction of any Backbone Infrastructure or other public facilities or improvements serving development of the Plan Area and/or (ii) the payment of the SPIF.

“Infrastructure CFD Improvements” means the public facilities or improvements authorized for acquisition or construction by the applicable Infrastructure CFD.

“Landowner” means Aerojet Rocketdyne, Inc., an Ohio Corporation, and its heirs, successors and assigns, and Easton Development Company, LLC, a California Limited Liability Company, and its heirs, successors and assigns.

“Land Use Plan” means the Specific Plan Land Use Plan for the Property, as set forth on Figure 4.1 of the Specific Plan, adopted by the City Council pursuant to Resolution No. 8863 and made a part hereof.

“Large-Lot Map” means a subdivision or parcel map processed and approved pursuant to the Subdivision Map Act that, upon recordation hereof, will create Large Lot Parcels.

“Large Lot Parcel” means a parcel created by the recordation of a parcel map, subdivision map consistent with the Subdivision Map Act that is either planned for non-residential or multi-family use, or is planned for single-family residential use

“Mitigation Fee Act” means the Mitigation Fee Act, as defined and implemented pursuant to Section 66000 et seq. of the California Government Code, or any successor statute thereto.

“Mitigation Monitoring and Reporting Program” means the mitigation monitoring and reporting program approved by the City in connection with its approval of the Specific Plan EIR pursuant to Resolution Number 8860, as may be revised from time to time in connection with the City’s approval of any Supplemental Environmental Review(s) applicable to Development of the Property.

“Mortgagee” means any lender or other entity that obtains a mortgage or deed of trust against the Property.

“New Rules” means any new or modified resolution, rule, and/or ordinance adopted by the City or by initiative (whether initiated by the City Council or by a voter petition, which initiative changes, alters or amends the rules, regulations and policies applicable to the rate, timing or sequencing and density and intensity of use or Development of the Property) after the Effective Date which is not part of the Existing Rules. “New Rules” does not include a referendum that specifically overturns the City’s approval of any of the Entitlements.

“New Plan Area Fees” means the new development impact and mitigation fees, including the SPRF, SPIF and New Plan Area Fees for City Facilities, to be adopted and imposed in connection with the Development of the Plan Area consistent with the terms of the PFFP and this Restated Agreement, as specifically listed and identified in **Exhibit 2.2.4** attached hereto under the Fee categories entitled “New FPASP Plan Area Fees for City Facilities,” “New FPASP Plan Area Fee for Specific Plan Infrastructure (SPIF),” and “New FPASP Planning and Land Fees.”

“New Plan Area Fees for City Facilities” means the new development impact fees to be adopted and imposed in connection with the Development of the Plan Area to finance certain City facilities consistent with the terms of the PFFP and this Restated Agreement, as listed and identified in **Exhibit 2.2.4** under the Fee category entitled “New FPASP Plan Area Fees for City Facilities.”

“Participating Landowners” means Landowner and any and all other landowners of other properties within the Plan Area who have then obtained approval and have executed and recorded, and are not in breach, of a Tier 2 Development Agreement or this Restated Agreement for such other properties.

“Permit Streamlining Act” means the provisions of Government Code Section 65920 et seq.

“PFFP” (“Public Facilities Financing Plan”) means the Public Facilities Financing Plan prepared by Economic and Planning Systems and the Folsom Office of Management and Budget approved by the City on January 28, 2014 by Resolution No. 9298.

“PFFP Facilities” means the public improvements and facilities serving the Plan Area that are to be financed, in whole or in part, by the Plan Area pursuant to the terms and provisions of the PFFP.

“Plan Area” means the entire Specific Plan area shown on **Exhibit B** hereto.

“Planning Commission” means the Planning Commission of the City.

“Project” means Development consistent with the Entitlements, including this Restated Agreement.

“Property” means those certain parcel(s) of land described in Exhibit A-1 and shown on Exhibit A-2 attached hereto and made a part hereof within the Plan Area.

“Public Parcels” means the parcels within the Plan Area planned for open space and public uses described and shown on Exhibit B hereto.

“Restated Agreement” means this First Amended and Restated Tier 1 Development Agreement.

“Small-Lot Map” means a subdivision map processed and approved pursuant to the Subdivision Map Act that, upon recordation thereof, will create either individual lots or parcels upon which building permits may be issued for the construction of commercial buildings or single-family residential units within a parcel planned for commercial or single-family use, or for construction and sale of individual condominium units within a parcel planned for commercial or multifamily residential use, consistent with the underlying zoning in the Entitlements.

“Specific Plan” means the Folsom Specific Plan adopted by the City Council by Resolution No. 8863 on June 28, 2011.

“Specific Plan Amendment” means an amendment to the Specific Plan approved by the City Council.

“Specific Plan EIR” means the Final EIR for the Specific Plan certified as adequate and complete by the City Council by Resolution No. 8860 on June 14, 2011 (State Clearinghouse No. 2008092051).

“SPIF” means the Specific Plan Infrastructure Fee to be adopted and imposed in connection with the Development of the Plan Area consistent with the terms of the PFFP and Section 4.2.2 of this Restated Agreement.

“SPRF” means the Specific Plan Reimbursement Fee to be adopted and imposed in connection with the Development of property within the Plan Area consistent with the terms of the PFFP and Section 4.2.1 of this Restated Agreement.

“Standard Design and Construction Specifications” means the standard specifications approved by the City Council and published and maintained by the City, as amended from time to time.

“Subdivision Map Act” means the provisions of Government Code Section 66410 et seq.

“Subsequent Entitlements” means those project specific approvals which, in addition to the Entitlements, are required in order for Development to occur on a Landowner’s Property. Subsequent Entitlements include, but are not limited to,

tentative and final Large and Small-Lot Maps, parcel maps, use permits, design review, grading plans and building permits, and all of the conditions of approval associated with such project specific approvals.

“Supplemental Environmental Review(s)” means any supplemental or additional environmental review and analysis approved or certified by the City, in addition to the review and analysis certified by the City Council in the Specific Plan EIR, associated with and/or required by the City’s review and approval of the Entitlements, including without limitation, any addenda, amendments, or mitigated negative declarations that may be approved or certified by the City in connection with any and all amendments to the Specific Plan.

“Term” means the term of this Restated Agreement as defined in Section 1.4.1 hereof.

“Tier 1 Development Agreement” means the Tier 1 Development Agreement described in Recital A.

“Tier 2 Development Agreement” means a development agreement required by the Tier 1 Development Agreement.

“Vested Rights” means the rights to Develop the Property consistent with the terms and provisions of this Restated Agreement.

“Water Supply Agreement” means that certain Water Supply and Facilities Financing Plan and Agreement Between the City of Folsom and Certain Landowners in the Folsom Plan Area, entered into by and between the City and Folsom Real Estate South, LLC, et al., dated December 11, 2012, and recorded in the Official Records of Sacramento County, Book 20130124, Page 1382, on January 24, 2013, as amended.

1.4 Term.

1.4.1 **Commencement; Extension; Expiration.** The Term shall commence upon the Effective Date. This Restated Agreement shall be recorded against the Property within ten (10) calendar days after City enters into this Restated Agreement, as required by California Government Code Section 65868.5. The Term of this Restated Agreement shall extend from the Effective Date through June 30, 2044, unless said Term is earlier terminated, modified or extended by circumstances set forth in this Restated Agreement or by mutual consent of the parties hereto. Nothing herein prevents the City from exercising its sole and complete discretion in determining whether this Restated Agreement shall be extended at the end of the Term, and whether any of the terms contained herein should be amended as part of the extension.

Following the expiration of the Term, or if terminated earlier in accordance with the terms of this Restated Agreement, this Restated Agreement shall be deemed terminated and of no further force and effect, except for the implementing ordinances for the SPRF and the SPIF, which shall survive unless and until amended or revoked by

the City Council, and the indemnification obligations in this Restated Agreement, which shall survive termination of this Restated Agreement.

1.4.2 Tolling and Extension During Judicial Challenge or Moratoria.

In the event that this Restated Agreement is subjected to a judicial challenge by a third party other than Landowner, and Landowner gives written notice to City that it is electing not to proceed with the Project until such litigation is resolved, the Term of this Restated Agreement and timing for obligations imposed pursuant to this Restated Agreement shall, upon written request of Landowner, be extended and tolled during such litigation until the entry of a final order or judgment upholding this Restated Agreement, or the litigation is dismissed by stipulation of the parties. Similarly, if Landowner is unable to undertake Development due to the imposition by the City or other public agency of a development moratoria for imminent health or safety reasons unrelated to the performance of Landowner's obligations hereunder, then the Term of this Restated Agreement and timing for obligations imposed pursuant to this Restated Agreement shall, upon written request of Landowner, be extended and tolled for the period of time that such moratoria prevents development of the Property. In no event shall any extension of the term of this Restated Agreement under this section exceed twenty four (24) months from the date of filing of any judicial challenge without further action and approval of the City Council.

Notwithstanding any extension or tolling of the Term of this Restated Agreement as provided above in this Section 1.4.2, the City may, at Landowner's sole cost and expense, process any preliminary plans submitted by a Landowner, including, without limitation, any applications for tentative parcel map or tentative subdivision map approval, during such tolling period, provided, however, that Landowner waives the time limits set forth in the Subdivision Map Act or Permit Streamlining Act for any action by City during the tolling period to approve such tentative parcel map or tentative subdivision map or other development permit approval. In the event of a moratorium or judicial challenge as provided in this section City shall not be obligated to hold any hearings, public meetings or to approve such tentative map or development permit during the moratorium, but may proceed with processing of preliminary plans at Landowner's expense.

1.5 Amendment of Restated Agreement. When the City Council finds it in the best interests of the City to do so, this Restated Agreement may be amended from time to time by mutual written consent of City and Landowner with respect to the Property in accordance with the provisions of the Development Agreement Statute and City ordinances. Except as provided in Section 1.5.1, if the proposed amendment affects less than the entirety of the Property, then such amendment need only be approved by the owner(s) in fee of the portion(s) of the Property that is subject to or affected by such amendment.

1.5.1 Required Provisions in Subsequent Tier 2 Development Agreements and Amendments to Incorporate Subsequent Entitlements. In light of the necessity for full and ongoing funding of the FPA as provided in this Restated Agreement and the Entitlements, including the PFFP, the Parties agree that the terms and provisions of this Restated Agreement identified in this section must be included in

any other Tier 2 Development Agreement or subsequent Amended and Restated Development Agreement for other properties within the Plan Area. The Parties further agree that the terms and provisions enumerated herein may not be modified or amended as to any property within the Plan Area without the written consent of all of the then existing Participating Landowners. In addition, unless otherwise agreed to in writing by a Constructing Owner, the rights of a Constructing Owner who is no longer a Participating Landowner to any outstanding fee reimbursements and/or fee credits under a Fee Reimbursement Agreement with the City (as defined in Section 4.3 below) shall be protected from the effects of any proposed amendment to Sections 2.2.1, 4.2.1, 4.2.2 and 4.3 of this Restated Agreement through the Constructing Owner's contractual rights related thereto under such Fee Reimbursement Agreement. The following terms and provisions fall within the scope of this section:

- A. Portions of the PFFP, SPRF and SPIF; Credits and Reimbursements (Sections 2.2.1, 4.2.1, 4.2.2 and 4.3): The provisions of the PFFP as set forth in Section 2.2.1 (subject to the re-opener provisions of Section 2.2.4.1), the Specific Plan Reimbursement Fee as set forth in Section 4.2.1, the Specific Plan Infrastructure Fee as set forth in Section 4.2.2, and the Fee Credit and Reimbursement rights as set forth in Section 4.3;
- B. Portions of the Financing Programs outlined in the PFFP (Sections 2.2.3.5, 2.5.3 and 3.2): Landowner's and City's commitments under Recital L, Section 2.2.3.5 related to adoption and implementation of the PFFP and the SPIF, Section 2.5.3 to support the formation and implementation of all finance programs and CFDs described therein, including the Aquatic Center CFD for purposes of financing as outlined in the PFFP, and Section 3.2 related to the formation and implementation of any infrastructure CFDs;
- C. New Plan Area Fees (Section 2.2.4 and 2.2.4.1): Landowner's commitment in this Restated Agreement to support and pay the New Plan Area Fees, and all other fees adopted by the City consistent with this Restated Agreement, as and when required by the PFFP and the adopting ordinances;
- D. Design Guidelines (Recital H): The Design Guidelines for the Project upon approval by the City;
- E. Dedications of Backbone and Lands Public Parcels (Sections 3.8 - 3.8.5.1): Landowner's commitment to dedicate and/or grant the Backbone Lands and Public Parcels required for development of the Plan Area at no cost to the City; and

- F. Phasing of Backbone Infrastructure (Sections 3.9 – 3.9.2): Subject to the City's discretion, as described in this Restated Agreement, to determine the phasing and timing for construction of necessary Backbone Infrastructure as maps are processed, Landowner's commitment to maintain the underlying requirement to construct the portion of the Backbone Infrastructure as determined for each Development Phase pursuant to Section 3.9 of this Restated Agreement.

Nothing stated herein is intended to modify the exceptions to vested rights set forth in Section 2.2.3, the re-opener provisions of Section 2.2.4.1, the provisions allowing for cost of living adjustments in Section 2.2.4(7), or the rights of the City under Sections 2.2.5, 2.2.6 and 2.2.7 to enact new laws or regulations as provided for in those sections.

1.5.2 No Amendment Required for Minor Administrative Modifications.

The parties acknowledge that under the Specific Plan, the Community Development Director of the City has the discretion to approve minor modifications to approved land use entitlements without the requirement for a public hearing or approval by the City Council. Accordingly, the approval by the Community Development Department of any Minor Administrative Modifications (as defined in the Specific Plan on the Effective Date of this Restated Agreement) to the Entitlements that are consistent with this Restated Agreement shall not constitute nor require an amendment to this Restated Agreement to be effective. Notwithstanding the procedure for minor amendments, nothing in the Entitlements or this Restated Agreement would preclude the Community Development Director or the City Manager from bringing such amendments to the Planning Commission and/or City Council for action if he/she believes it is in the best interests of the City to do so.

1.5.3 Amendments to Restated Agreement after Approval of Subsequent Entitlements. A Participating Landowner may file an application for a Specific Plan Amendment and Subsequent Entitlements associated with the Specific Plan Amendment after the approval, execution and recordation of this Restated Agreement. As part of such applications, the Participating Landowner must also obtain an Amendment to this Restated Agreement to allow for the application of the terms of this Restated Agreement to the Specific Plan Amendment and the Subsequent Entitlements it seeks. Such amendments shall be referenced as Amendment No.[] to the Landowner's Restated Agreement, and shall be considered and processed by the City in accordance with the terms of Government Code Section 65864 through 65869.5, inclusive, and any and all applicable provisions of the Folsom Municipal Code and the City Charter and City Council Resolution No. 2370. The City Council retains sole and absolute discretion to evaluate the Specific Plan Amendment and related Subsequent Entitlements, including imposing conditions of development and to conduct any and all necessary Supplemental Environmental Review prior to consideration of the approval of the Specific Plan Amendment and the Subsequent Entitlements. If the City, in its sole and absolute discretion, approves the Specific Plan Amendment and the Subsequent Entitlements and provided that Landowner also reaffirms its agreement to abide by the provisions of this

Restated Agreement and any modifications to the Restated Agreement and the Specific Plan or conditions imposed on the project, then the Specific Plan Amendment and Subsequent Entitlements shall be included within the definition of Entitlements as that term is used throughout this Restated Agreement.

1.5.3.1 **Specific Plan Amendment Cut-Off Date.** The terms set forth in this Restated Agreement shall apply to Specific Plan Amendments approved by the City Council prior to that date that is two (2) years from the date of publication in the Federal Register of the Record of Decision for the Section 404 Permit issued by the United States Army Corps of Engineers relative to Backbone Infrastructure, or July 1, 2016, whichever is later (the "Specific Plan Amendment Cut-off Date"). For Specific Plan Amendments approved by the City Council on or after the Specific Plan Amendment Cut-off Date, the City retains the right to modify this Restated Agreement as applied to the lands covered by the proposed Specific Plan Amendment, to impose additional conditions or requirements of the Project that are not project specific or "nexus" based, including imposing additional costs, conditions or requirements to: (1) fund and/or construct facilities other than PFFP Facilities, and (2) fund services or amenities other than those described in the PFFP, in conjunction with the approval of an amendment to the Specific Plan or to accelerate the funding of projects in the PFFP. Nothing in this section is intended to prevent development of the Property for the uses and to the density or intensity of development or the rate and timing of development as set forth in this Restated Agreement and the Entitlements, or permit modifications of other existing rights or application of New Rules, except as expressly permitted in this Restated Agreement including, as provided in Government Code Section 65865.2. Landowner retains its right to object to the cost of additional conditions or requirements, but expressly waives any argument that the imposition of such conditions or requirements violate the terms of this Restated Agreement and agrees to comply with such conditions or requirements, including any cost associated therewith, should such be imposed by the City as part of an amendment to this Restated Agreement following consideration of Landowner's objection. Regardless of the date of approval of a Specific Plan Amendment, nothing stated herein is intended to modify, alter or limit in any way the City's right to impose new conditions or terms which derive from environmental review and are required to mitigate environmental impacts, or are otherwise directly project related or "nexus" based.

1.5.4 **Recordation Upon Amendment or Termination.** Except in the event that this Restated Agreement is automatically terminated due to the expiration of the Term, the City shall cause any amendment hereto, including any extension of the Term, and any other termination hereof to be recorded, with the County Recorder within ten (10) calendar days after City executes such amendment or termination. Any amendment or termination of this Restated Agreement to be recorded that affects less than all the Property shall describe the portion thereof that is the subject of such amendment or termination.

ARTICLE 2

DEVELOPMENT OF THE PROPERTY

2.1 Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes and location of public utilities and public improvements shall be those set forth in the Entitlements and this Restated Agreement.

2.2 Vested Rights. City agrees that, except as otherwise provided in and as may be amended in accordance with the Exceptions to Vested Rights set forth in Section 2.2.3 below, City is granting, and grants herewith, vested rights to Development for the Term of this Restated Agreement in accordance with the terms and conditions set forth herein. City acknowledges that the rights vested by this Restated Agreement include the land uses and approximate acreages for the Property as shown and described in Exhibit A-1 and Exhibit A-2 attached hereto, or as such land uses and approximate acreages may be amended by those Specific Plan Amendments referenced in Section 1.5.3 of this Restated Agreement. Nothing in this Restated Agreement shall impair or affect the rights of Landowner under a vesting tentative map or the City's rights to condition such maps. (Govt. Code Sec. 66498.1, et seq.)

Such uses shall be developed in accordance with the Entitlements, as the Entitlements described in Recital H provide on the Effective Date of this Restated Agreement and/or as any Subsequent Entitlement incorporated therein provides on the date of approval thereof by City.

2.2.1 Vested Provisions of the PFFP. The parties agree that the PFFP is not a vested document in its entirety. They further agree that only those portions of the following Chapters and Appendices in the PFFP specifically referenced below will vest for the term of this Restated Agreement:

- A. The list of PFFP Facilities to be constructed in and/or financed by the Plan Area, as set forth in Appendices B through G and I through O of the PFFP, as may be revised in accordance with the provisions of Section 2.2.3.5 herein and subject to the re-opener provisions set forth in Section 2.2.4.1 herein. The initial list of PFFP Facilities is attached hereto as Exhibit 2.2.1;
- B. The development impact fee provisions, as set forth in the Executive Summary, Chapters 5 and 8 and Table 13 of the PFFP, including payment of such fees at building permit or occupancy and establishment of fee reimbursement and credit provisions for advance-funded improvements;
- C. The SPIF Implementation provisions, as set forth in Appendix S of the PFFP, including the SPIF Set-Aside for certain Phase 1 and

Phase 2 sewer and water infrastructure and the SPIF fee reimbursement and fee credit implementation and prioritization;

- D. The Sewer and Offsite Water CFD and Extended Term CFD provisions, as set forth in Chapters 5 and 6 and Appendix U of the PFFP; and
- E. The City Loan for Water/Sewer Financing provisions, as set forth in Chapters 5 and 6 and Appendix U of the PFFP, including City loan repayment from Sewer and Offsite Water CFD revenues and establishment of SPIF Set-Aside with applicable credits for eligible improvements.

As to the provisions of the SPIF, including the Set-Aside described in 2.2.1(C), the Parties agree that additional details for implementation of the SPIF Set-Aside will be subject to refinement and substantiation as part of and in connection with the City's adoption of the SPIF ordinance consistent with the parameters and purposes identified in the above referenced sections of the PFFP. The City also shall have the authority to adopt the ordinance for the New Plan Area Fees to accomplish the purpose outlined in the PFFP consistent with the parameters and purposes identified in the above referenced sections of the PFFP.

2.2.2 Vested Provisions of the Specific Plan. The parties recognize the need to vest certain portions of the Specific Plan and also recognize that during the term of this Restated Agreement that there may be a need for changes in the plan to keep pace, for example, with new regulatory requirements, new technology, changing trends and a need for flexibility to address changes and needs and goals of the City as expressed by the City Council over time. The parties recognize that the Specific Plan is not vested in its entirety and agree that the following sections of the Specific Plan are vested and will not be altered by New Rules:

- A. Development Standards set forth in Appendix A of the Specific Plan;
- B. Land Use and Zoning set forth in Section 4 of the Specific Plan; and
- C. The street widths and roadway section provisions of Section 7.7.2 of the Specific Plan as depicted in Figures 7.24, 7.25, 7.26 and 7.27 related to Local Streets for a period of ten (10) years from the Effective Date of this Restated Agreement

2.2.3 Exceptions to Vested Rights. The parties specifically agree that no vested rights exist and/or the term of such vesting under this Restated Agreement may be limited and subject to modification and the parties recognize that provisions in the Entitlements related to these issues may differ from the existing code and the Specific Plan and that the terms of this Restated Agreement shall control with respect to the following issues:

2.2.3.1 Affordable Housing. The existing Housing Element and Folsom Municipal Code contain provisions associated with affordable housing and these provisions are vested until January 1, 2020 (i.e., the date that is 12 months before the expiration of the current Housing Element). Until January 1, 2020, the City agrees it shall not amend provisions of the Housing Element associated with affordable housing, except for such amendments that do not alter land uses, result in additional financial burdens on development in the Plan Area, amend the Land Use Plan, rezone any portion of the Property without the Landowner's written consent or to comply with state law or court order. Nothing herein shall prohibit Landowner from proposing or agreeing to any changes to the Land Use Plan or zoning for the Property. In any subsequent Housing Element the City may adopt a Housing Element in its discretion and will look citywide to meet its State-imposed Regional Housing Needs Allocation (RHNA) and retains all rights to modify the Land Use Plan and rezone any portion of the Property, add, modify or delete programs, policies and goals, excluding however any portion(s) of the Property for which a vesting map has been approved and remains valid. Nothing in this Restated Agreement is intended to limit the Landowner's ability to obtain vested maps as allowed by law or City ordinance.

The City agrees that when examining land to address future RHNA requirements, it will, to the extent feasible in the FPA, maintain rough proportionality of the mix of residential and commercial as exists in the Specific Plan on the Effective Date of this Restated Agreement. For purposes of this section, "rough proportionality" shall mean plus or minus 10%. The City agrees that when it examines the RHNA requirements it will endeavor to maintain the rough proportionality of commercially zoned land to residentially zoned land. Notwithstanding the objective to maintain rough proportionality, the City may consider among other information available at the time it is reviewing its Housing Element, including the number of and type of financially feasible and available sites, criteria used for evaluating financing of affordable housing projects (including but not limited to qualification for tax credits), the extent to which vested maps or other vested rights exist on commercial and residential property, the extent to which other lands have been rezoned to a different zoning designation since the Effective Date of this Restated Agreement, avoiding overconcentration of affordable housing and the policies of the Housing Element and may, in its discretion, rezone lands necessary to meet the City's RHNA obligations.

2.2.3.2 Area 40 - Community Park West. The term "Community Park West" refers to that portion of the Aerojet/Easton Property designated as the site for Community Park West, as depicted in **Exhibit 2.2.3.2**. At the time of adoption of this Restated Agreement, the land uses have been identified in and approved as part of the Specific Plan, and the Parties believe such uses are consistent with the uses permitted by state and federal regulatory agencies in that portion of the Aerojet/Easton Property referred to as Area 40 that has Superfund status. The City and Easton Development and Aerojet Rocketdyne ("Aerojet/Easton") have met to address the current provision related to Area 40 in the Tier 1 Development Agreement. The parties have agreed to replace the Tier 1 provision with the provisions contained in this section and to provide for an alternate site if Community Park West has not received regulatory clearance for

the park uses called for in the Specific Plan during the timeframe outline in this section. This Agreement grants to Easton and Aerojet, as owners of the Aerojet/Easton Property, and their successors-in-interest, the right to develop portions of the Aerojet/Easton Property, other than properties designated as Community Park West and the Alternate Site (defined below), consistent with the Specific Plan subject to the provisions of this section.

No later than the issuance of the 600th residential building permit within the Aerojet/Easton Property and those parcels designated for residential use within the community park service area depicted in Figure 9.1 in the Specific Plan (“the Service Area”), Aerojet/Easton shall create, record and irrevocably offer to dedicate to City the parcel for the neighborhood park depicted in the Specific Plan as a 10.0 acre park. In addition, Aerojet/Easton shall demonstrate to the City’s satisfaction, at the time of the offer of dedication, that infrastructure (e.g., access streets, curb, gutter and sidewalk, water and power services) are available to serve the neighborhood park parcel. The City and Aerojet/Easton have met and agreed upon an alternate site for Community Park West in the event that all regulatory clearances for the uses in Community Park West are not achieved as set forth herein. The alternate site for Community Park West is depicted in **Exhibit 2.2.3.2** (“Alternate Site”) which has been agreed to by Aerojet/Easton, the City, and the landowners who are party to a Restated Agreement. Notwithstanding the foregoing sentence, agreement of landowners who are a party to a Restated Agreement shall not be construed as a waiver on the part of such landowners of the right to request mitigation measures as part of the park project approval process to reduce impacts of Community Park West on properties adjacent to or in the vicinity of the Alternate Site. The parties agree that the Alternate Site shall not exceed the size (approximately 47.8 acres) of Community Park West as reflected in the Specific Plan adopted in 2011. Aerojet/Easton shall process parcel maps with its first land use application or submittal of a Specific Plan Amendment in the Service Area separately delineating the Alternate Site and Community Park West. When the parcel map is created for the Alternate Site, Aerojet/Easton shall grant, execute and provide to the City an irrevocable offer of dedication of the Alternate Site for a community park use conditioned as set forth in this section.

Upon issuance of the 1,000th residential building permit within the Service Area, Aerojet/Easton and City shall meet to discuss the progress of regulatory clearance for use of Community Park West, as well as timing and process for use of the Alternate Site should Community Park West not be available upon issuance of the 1200th residential building permit in the Service Area. In the event that Community Park West is not available for park use when the 1,200th residential building permit is issued in the Service Area or if a final determination (including applicable appeals) is made by the EPA that Community Park West cannot be used for the intended park purposes, whichever occurs first, the City may accept the offer of dedication of the Alternate Site as a permanent replacement for Community Park West. City agrees to accept and process an application from Aerojet/Easton for a Specific Plan Amendment, which application shall include, unless separately submitted in advance, the creation of the parcel maps and the Irrevocable Offer of Dedication referred to above. Any such

Specific Plan Amendment by Aerojet/Easton shall be processed by City following the City's typical review and approval process, which shall include CEQA review. Aerojet/Easton may proceed through the entitlement process on all Aerojet/Easton Property in the Plan Area, except Community Park West and the Alternate Site, and for those sites the entitlement process shall not proceed beyond a parcel map and zoning until the use of the Community Park West site has been resolved.

A deed restriction for park use only shall be recorded against the Community Park West and Alternate Site parcels, attaching a copy of this section which shall run with the land, until final approval of either site for a community park. Any entitlements for the Aerojet/Easton Property shall plan for and be consistent with the use of the Alternate Site for community park purposes and to assure access and circulation for the surrounding properties, acknowledging that doing so may necessitate or be facilitated by minor adjustments to the parcel map creating the Alternate Site. Aerojet/Easton shall be responsible for all the costs associated with the processing of any Specific Plan Amendments and environmental documents related to Specific Plan Amendment applications, including use of the Alternate Site for park purposes. Any cost adjustments required to construct park facilities at the Alternate Site shall be included in applicable New Plan Area Fees as set forth in Section 2.2.4(1) herein.

Disclosures shall be required and included as map conditions for the sale of all residential property sold in the Service Area of both Community Park West and the Alternate Site advising potential purchasers of the potential uses of these sites, including but not limited to future residential development or park and recreation use involving lighted playing fields. When the roadways adjacent to Community Park West and the Alternate Site have been constructed and opened for use, signage, to the satisfaction of the City, that is easily read by passing traffic shall be erected announcing residential development or the potential for park facilities on these sites. Unless otherwise approved by the City Council, Community Park West and the Alternate Site shall remain in ownership by Aerojet/Easton until final approval of either site for the community park. Any transfer approved by the City Council shall be subject to conditions it imposed and shall be accompanied by an Assignment and Assumption Agreement outlining the terms contained herein or as otherwise approved by the City Council.

Upon final approval of either site as a community park or when an irrevocable offer of dedication for the approved site is accepted by the City, the restrictions and limitations set forth herein for the site not used as a community park shall be removed.

The Parties acknowledge and agree that the vested rights conveyed by this Restated Agreement shall not prevent City from initiating or approving amendments to the approved Specific Plan, or adopting ordinances to achieve the purposes of this section. The Parties also acknowledge and agree that, the City's interests having been protected by the disclosures and restrictions noted above, Aerojet/Easton shall be permitted to submit and process for approval large and small lot tentative and final maps throughout the Aerojet/Easton Property, except the Alternate Site and Community

Park West, subject to City's regular review and approval process; however no entitlements shall be approved if such entitlements or components thereof would impede or limit the use of either site for a community park. The Parties and landowners further acknowledge and agree that limitations set forth herein on the use of the Alternate Site may not be resolved until after the deadline for the revision of the PFFP and adjustment to the SPIF described in Section 2.2.3.6 herein and therefore agree Aerojet/Easton or the City may initiate a revision to the PFFP and SPIF to address this issue up to ninety (90) days after the authorization to proceed with development on the Alternate Site. Upon approval of the Alternate Site for residential purposes, SPIF may be reallocated over the Aerojet/Easton Property for any such property that has not received a building permit.

The PFFP provides for a number of community facilities districts in the Plan Area and unit allocations for SPIF purposes. The parties and landowners agree and the district formation documents shall provide that neither the Alternate Site nor Community Park West will be subject to any community facilities district tax until such time the Alternate Site is used for residential purposes. The district formation documents shall provide that the taxable allocation from the Alternate Site shall be allocated to the remaining Aerojet/Easton Property and upon approval for residential purposes it may be reallocated, annexed to the district or the tax imposed.

Failure of Aerojet/Easton to comply with the terms set forth in this section shall be grounds to cease the application process for any entitlements in the Aerojet/Easton Property, including waiver of any permit streamlining provisions, as well as other remedies contained in this Restated Agreement. Provided, however, the effect of any such non-compliance and enforcement of any such remedies shall be limited to the Aerojet/Easton Property and shall not apply against or affect Development within any other Participating Landowner's property in the Plan Area.

2.2.3.3 Quarry Traffic. Section 7 of the Specific Plan addresses circulation in the Plan Area. Landowner acknowledges that, as provided in Section 2.2.2 above, this Restated Agreement does not vest any rights with respect to changes to the Circulation Chapter to assure compliance with the Quarry Truck Management Plan (TMP) approved by the Sacramento County Board of Supervisors on December 14, 2011 (Resolution No. 2011-0938). The City retains all rights and authority to make changes to the circulation provisions of the Specific Plan based on final implementation of the TMP. With respect to any portion of the Property impacted by the roadway alignments required by the TMP (the "TMP Alignments"), Landowner agrees to offer irrevocably for dedication or grant (at the City's discretion) easements and rights-of-way required for traffic and circulation under or in connection with the TMP at no cost to the City prior to the approval of the first tentative Small Lot Map for any portion of the Property impacted by the TMP Alignments, or any portion or phase thereof. Landowner may look to entities other than the City of Folsom for compensation associated with the TMP requirements, but any dispute related to compensation shall not delay or impede the ability of the City to obtain necessary easements or right of way. Any necessary

adjustments to dedications shall be governed by the provisions of Sections 3.8.3 and 3.8.4 of this Restated Agreement.

Landowner acknowledges and agrees that Development of the Property shall comply with the requirements of the Quarry Traffic Management Plan Funding Mechanism Program adopted by the County of Sacramento on December 14, 2011, as Resolution Number 2011-0938, as well as requirements in the Agreement Between the County of Sacramento, the Sacramento County Water Agency, and the City of Folsom, Relating to Transportation and Water Supply Issues Involving the South of Highway 50 Folsom Plan Area Annexation dated December 21, 2011.

2.2.3.4 Corporation Yard. The parties understand and agree that a new corporation yard equivalent to approximately 30 acres will be located in the vicinity of, but not within, the Plan Area. Such property has been tentatively identified, with a final purchase and sale agreement pending, pertaining to the location of the corporation yard. Landowners will be responsible for one hundred (100%) percent of the cost of land acquisition for such corporation yard as provided in the PFFP and Section 2.2.3.4.1 below. The Plan Area will fund its fair share of capital costs for all improvements and facilities required for the corporation yard. Such financing for capital costs shall be provided in accordance with the terms of the PFFP.

The City and certain landowners have identified a potential site for the corporation yard outside the Plan Area. The location is part of a Williamson Act contract and entitlements must be obtained through the County. Should the proposed use of the identified site as a corporation yard not be approved by the County, the Participating Landowners and the City will meet jointly to identify another suitable alternate site within sixty (60) calendar days following a final determination of disapproval by the County. The City may proceed with an alternate site should the landowners and City not mutually identify an alternate site. Additional land acquisition cost for an alternate site may be included in the PFFP.

2.2.3.4.1 Purchase of Corporation Yard. The Corporation Yard Purchase Price shall include the following amounts: (1) appraised value of the land (\$820,000.00); (2) interest at the rate of 3 percent, compounded annually, and (3) City costs as enumerated in the Purchase Agreement in an amount not to exceed \$36,000.00. The obligation for the Corporation Yard Purchase Price is an obligation of the Participating Landowners within the Folsom South Specific Plan Area, as set forth in the Amended and Restated Development Agreement, Section 2.2.3.4 and to be shared thereby consistent with the cost allocation method therefor under the Public Facilities Financing Plan ("PFFP"). To facilitate the financing of the Corporation Yard Purchase Price, this amount shall be identified as an eligible and authorized facility in the Infrastructure CFD or CFDs to be formed pursuant to the PFFP, including any extended term CFD.

The City and Aerojet shall enter into promissory note for the Purchase Price, which shall include only the appraised value of the land and any interest accruing thereon, and shall provide that the City will make annual

payments to Aerojet from the "Note Payment Sources" (which are comprised of (1) 90% of Corporation Yard permit fees paid to the City, to the extent the City has received such amounts as of the applicable payment due date, and (2) a credit to Easton of 90% of the value of the Corporation Yard permit fees that would be owed by Easton on any building permit pulled by Easton in the Plan Area). The promissory note shall further provide that all outstanding amounts are due and payable to Aerojet on the 7th Anniversary of the closing.

In the event there is a balance owed to Aerojet on the 7th Anniversary of the Closing, any remaining balance shall come from the Participating Landowners, in accordance with their relative fair shares for such obligation, provided each Participating Landowner's fair share shall be offset by the share of any Corporation Yard permit fees previously paid by such Participating Landowner and applied to the Note payments. At the discretion of each Participating Landowner, a Participating Landowner's outstanding share may be paid from any funds available from any bond proceeds or PAYGO revenues ("CFD Revenues" as defined in the PFFP) generated by an Infrastructure CFD that includes the Participating Landowner's property. This obligation of the Participating Landowners shall be joint and several, with right of equitable indemnity as between themselves. If any Participating Landowner fails to pay its share of the outstanding amount due on the Note, such defaulting Participating Landowner shall be deemed to be in breach of this Restated Agreement and the other Participating Landowners shall be obligated to advance the share of such defaulting Participating Landowner in proportion to their relative fair share obligations (with a right to reimbursement thereof, plus interest, from the delinquent Participating Landowner).

For each Participating Landowner who advances its share of such payment or directs CFD Revenues from such Participating Landowner's property to be used to pay all or any portion of its share of the balanced owed on the Note on the 7th Anniversary of the Closing, the City will implement a corresponding fee credit against the Corporation Yard impact fee for each Participating Landowner that contributes to the Corporation Yard Purchase Price through such payment or tax on its property.

The Landowners and the City will evaluate whether an amendment to the PFFP (including Appendix U) is necessary to provide that the Corporation Yard Purchase Price is an eligible and authorized facility as set forth herein, and that the fee credits specified herein shall be incorporated into the Corporation Yard impact fee.

2.2.3.5 PFFP and SPIF. The PFFP has been approved by the City Council and is agreed to by Landowner. The PFFP sets forth the finance plan for funding the costs to construct the PFFP Facilities and to maintain and provide the municipal services required to serve the development of the Plan Area consistent with the Entitlements. Landowner agrees to support the adoption and implementation of all

financial programs described in the PFFP for the Development of the Property consistent with the terms of the PFFP, including the adoption and implementation of the SPIF described therein and the New Plan Area Fees.

As provided in Section 2.2.1 above, certain provisions of the PFFP are vested; however, as provided herein, the City may otherwise modify the PFFP over time. All impact fees and increases in impact fees, other than inflationary adjustments, shall be adopted and implemented by the City in accordance with the Mitigation Fee Act. Landowner acknowledges that, as set forth in the PFFP, the Existing Fees and the New Plan Area Fees may be increased by the City from time to time based on a cost of construction inflation factor and/or based on changes in the actual or estimated costs of construction of the facilities or improvements to be financed thereby.

As each Development Phase within the Plan Area is processed for approval by the City, the specific, detailed components and timing of the PFFP Facilities required to serve such Development Phase shall be determined by the City, consistent with the PFFP and the Specific Plan EIR and this Restated Agreement. As PFFP Facilities are developed over time, the general description of PFFP Facilities addressed by the PFFP may be updated and/or amended as deemed necessary by the City, provided the overall cost for the Facilities does not increase, except as provided in the re-opener provisions of Section 2.2.4.1. Nothing shall limit the ability of the City to modify the types of facilities within the overall cost structure provided in the PFFP. Updates and/or amendments to the PFFP shall not require an amendment of this Restated Agreement or the Specific Plan.

The parties understand and agree that best efforts have been made to calculate costs of development of the infrastructure and facilities in the Plan Area based on available information and current laws and regulations. Further, the PFFP identifies various methods to pay for the costs articulated and necessary for the Plan Area. The responsibility for payment of the costs in the PFFP shall not be, in any case, the responsibility of the City. To the extent the estimated costs of the PFFP Facilities in the Plan Area are higher than expected, Landowners shall be responsible for the increased costs of such PFFP Facilities allocable to the Plan Area, either through adjustments of the Existing City Fees or New Plan Area Fees or other methods of financing as provided in the PFFP, but not through reductions in services or facilities in the Plan Area.

To the extent the costs to develop the Plan Area are less than expected, the City may, but is not required to examine and assess whether modifications to fees are appropriate. Landowner acknowledges that certain Landowners believe that the fee burden on commercial is higher than residential and the City may, but is not required to examine the fee burdens on commercial and residential in the future. In no case is the City required to reduce services or facilities should the cost of improvements be less than anticipated.

2.2.3.6 Adjustment to SPIF After July 1, 2016. Landowners acknowledge that the costs to fund the Property's share of the PFFP Facilities under the

PFFP, including the amount of the SPIF, will be based on the land uses allocable to the Property. The Landowners acknowledge that early changes in the Specific Plan can alter SPIF payments, but there must be a time in which the SPIF would not be adjusted merely due to changes in land uses or facilities. Therefore, in the event of any amendments to the land uses for the Property requested by Landowner and approved by the City on or before July 1, 2016, the City shall be authorized to revise the PFFP and, upon the request of any Participating Landowner to update the SPIF during such period, the City shall use good faith, diligent efforts to thereafter update the PFFP, the list of PFFP Facilities, and the New Plan Area Fees related thereto, including the SPIF, as needed, to revise the allocation of such costs to the Property under the PFFP consistent with the methodology of the PFFP and based on the revised land uses for the Property (and any other such land uses changes within the Plan Area). After July 1, 2016, changes in land uses shall not trigger a revision or an update to the SPIF in the manner described above. Provided, however, on and after the Cut-off Date for Specific Plan Amendments set forth in Section 1.5.3.1 of this Restated Agreement, nothing herein shall limit the City, when a land use change is requested for any portion of the Property, from reviewing and modifying the SPIF as applicable solely to the portion of the Property that is the subject of the proposed Specific Plan amendment or imposing a condition or requirement on and only on such portion of the Property that is the subject of the proposed Specific Plan amendment to: (1) fund and/or construct facilities other than PFFP Facilities, or (2) fund services or amenities other than those described in the PFFP in conjunction with the approval of such amendment to the Specific Plan.

2.2.4 City Fees and New Plan Area Fees, Including Cost Increases.

As described in the PFFP, the City and Landowners have agreed to a financing plan for development of the Plan Area. Among the financing mechanisms are application of the Existing Fees and adoption of New Plan Area Fees. The Existing Fees and New Plan Area Fees are set forth in **Exhibit 2.2.4** hereto. Subject to the limitations in Section 2.2.4.1 (5000 units or ten (10) years) regarding City revisions to the list of PFFP Facilities and modification to the New Plan Area Fees for City Facilities to provide additional funding for development of the Plan Area, the City agrees not to adopt or to increase any fees or to apply other fees to Landowner except as follows:

1. Any fees described in the PFFP and/or **Exhibit 2.2.4**, including New Plan Area Fees and Existing Fees. Notwithstanding any provision to the contrary, Existing Fees adopted City-wide that are not replaced by New Plan Area Fees may be increased from time to time by resolution of the City Council, provided with respect to any such Existing Fees subject to the Mitigation Fee Act, the increase will be made in accordance with the Act.
2. Any mitigation fees required under the Specific Plan EIR and any Supplemental Environment Review(s)
3. Storm Drainage Funding – At the time of this Restated Agreement, the complete Storm Drainage plan and costs for the Folsom Plan Area have not been determined. Landowners are responsible for funding and fees

associated with implementation of the Stormwater Drainage Plan. No vesting is applicable to drainage required by state or regional, non-City local laws/regulations.

4. Non-potable Water System – At the time of this Restated Agreement, a non-potable water supply for the Folsom Plan Area has not been identified and the off-site transmission for and storage of any such supply for the Folsom Plan Area have not been included for the funding of the Plan Area. If the City identifies a non-potable water supply source as available for the Plan Area, Landowner acknowledges that Development may become responsible for and will not be vested against any fees adopted by the City (consistent with the Mitigation Fee Act) associated with funding the installation of the additional off-site transmission, on-site storage infrastructure and other necessary infrastructure, for any such non-potable water system. Landowner shall not be responsible for the costs of acquiring the identified non-potable water supply. The requirements in this subsection may be funded in whole or in part by fees or other sources, including rates, grants or other funding.
5. Light Rail Fee - The City may adopt or modify a Light Rail Fee to be applicable to the Folsom Plan Area.
6. Development Processing Fees, including but not limited to fees for project application, plan check, permit, inspection, and related fees in conjunction with any development applications.
7. Adjustments for Costs of Living or Cost of Construction: Existing and New Plan Area fees, including SPIF, may be adjusted by the City at any time based on cost of living or other such inflationary adjustments (including inflationary adjustments based on the Engineering New Record Cost of Construction Index, a Consumer Price Index or other method in accordance with the ordinances adopting the Existing Fees and New Plan Area Fees. Similarly, the City may adjust New Plan Area Fees on the basis of revised cost estimates or experience and the ordinances adopting such fees.
8. Any regulatory or other non-Impact fee adopted Citywide.
9. Any fees or increases in such fees for unforeseen or unaccounted for costs for the PFFP Facilities arising out of a mutual mistake by the parties including inadvertent failure to include all or a portion of the costs or to comply with the requirements imposed by state law or court decisions associated with the construction and installation of the PFFP Facilities, any of which have the effect of imposing an additional financial burden on the City in connection with the construction and installation of the PFFP Facilities may be added or modified so there is no additional cost to the City in connection therewith.

All fees and adjustments to fees described above shall be adopted by the City by ordinance or fee resolution and any impact fees are to be adopted and implemented by the City in accordance with the terms and provisions of the Mitigation Fee Act.

Notwithstanding any provision to the contrary, Landowner is solely responsible for the payment, as and when due upon the recordation of any Large Lot Maps or Small Lot Maps or upon the issuance of any grading permit, building permit or other such permit for development or occupancy of any unit or building within the Property, of all fees imposed and/or assessed by non-City public agencies, entities, and districts.

2.2.4.1 Re-Opener on New Plan Area Fees for City Facilities. In addition to and separate from any inflationary or cost of construction adjustments to the New Plan Area Fees consistent with this Restated Agreement and the PFFP, after the issuance of building permits for the construction of 5000 residential units or ten (10) years from the Effective Date of this Restated Agreement, whichever comes first, within the Plan Area, the City may revise the list of facilities to be funded by the New Plan Area Fees for City Facilities and modify the New Plan Area Fees for City Facilities in relation thereto, subject to the following conditions: (i) New Plan Area Fees for City Facilities shall not be increased by more than five percent (5%) per year or twenty five percent (25%) every five (5) years as a result of such changes to the list of facilities to be funded by the remaining development within the Plan Area (separate from and in addition to cost of construction adjustments for the prior list of PFFP Facilities); (ii) the inclusion of the additional facilities for financing by the remaining development within the Plan Area must comply with the nexus requirements of the Mitigation Fee Act; (iii) any increase to the New Plan Area Fees for City Facilities associated with the inclusion of the additional facilities shall not be applied to any portions of the Property zoned for non-residential development until five (5) years have passed after the issuance of 5000th building permit for the construction of residential units, or fifteen (15) years from the Effective Date of this Restated Agreement, whichever comes first, and (iv) the adjustments to New Plan Area Fees for City Facilities shall not be applied retroactively to any portion of the Property that has then paid the New Plan Area Fees for City Facilities with respect to development thereof. For purposes of this section, residential units means any dwelling (single, multi-family, mixed use) for full time habitation.

2.2.5 Police Powers and Citywide Ordinances. Nothing in this Restated Agreement limits or is intended to limit the City from exercising its police powers and adopting New Rules when the City Council finds that such New Rules are necessary to promote the public health, safety and welfare, provided such New Rules do not impair the financial provisions of this Restated Agreement, do not impair the vested rights of Landowner under this Restated Agreement, and do not adversely impact the land use designations in the Specific Plan and any Specific Plan Amendment, the density and intensity of use, the rate and timing of development, the maximum height and size of proposed buildings, and the provisions for reservation or dedication of land for public purposes and location of public utilities and public improvements.

Further, nothing in this Restated Agreement limits or is intended to limit the City from adopting New Rules that are applicable citywide, provided such New Rules do not impair the financial provisions of this Restated Agreement, do not impair the vested rights of Landowner under this Restated Agreement, and do not adversely impact the land use designations in the Specific Plan and any Specific Plan Amendment, the density and intensity of use, the rate and timing of development, the maximum height and size of proposed buildings, and the provisions for reservation or dedication of land for public purposes and location of public utilities and public improvements.

2.2.6 Application of Changes Due to State and Federal Laws. Nothing in this Restated Agreement shall preclude the application to Development of changes in City laws, regulations, plans, policies, or fees mandated by State or Federal law or a court order issued by a court of competent jurisdiction, in order to comply with mandates or requirements due to changes in State or Federal laws or regulations or an order issued by a court of competent jurisdiction. To the extent that such changes in City laws, regulations, plans, policies, or fees mandated by State or Federal law prevent, delay or preclude compliance with one or more provisions of this Restated Agreement, City may modify or suspend such provisions of this Restated Agreement as may be necessary to comply with such State or Federal laws or regulations or court order, and City and Landowner shall take such action as may be required pursuant to this Restated Agreement to comply therewith.

2.2.7 Uniform Codes and Standard Construction Specifications. Nothing herein shall preclude City from applying to the Property standards contained in uniform building, construction, electrical, plumbing, fire or other uniform codes and Title 24 of the California Code of Regulations or City modifications thereto and City's Standard Construction Specifications relating to building standards in effect at the time of approval of the appropriate permits which may include, but not be limited to, building, grading or other construction permits approvals for the Property, as the same may be adopted or amended from time to time by City, provided that the provisions of any such modifications shall:

- A. Apply on a City-wide basis; and
- B. With respect to those portions of any such uniform code that have been adopted by City without amendment, be interpreted and applied in a manner consistent with the general application of such code in the City.

2.2.8 Conflict Between Existing Rules, Entitlements and Restated Agreement. In the event of any conflict or inconsistency between the Existing Rules, the Entitlements, and this Restated Agreement the following applies:

- A. In the event of any conflict or inconsistency between the Existing Rules and this Restated Agreement, the provisions of this Restated Agreement shall prevail and control.

- B. In the event of any conflict or inconsistency between the Entitlements, the Existing Rules and this Restated Agreement, the provisions of this Restated Agreement shall prevail and control.

2.3 Density Transfer. Density transfers shall be permitted as set forth in the Specific Plan in effect as of the Effective Date of this Restated Agreement.

2.4 Subsequent Entitlements. Each Landowner's Vested Rights to proceed with Development is subject to the approval of Subsequent Entitlements which shall be obtained in conjunction with any necessary project-specific approvals and required grading, building and other such permits as required by the Existing Rules.

2.5 Ordinance, Resolution and Officially Adopted Rules.

2.5.1 Conflicting Ordinances or Moratoria. Except as provided in this Restated Agreement, so long as this Restated Agreement remains in full force and effect, no future resolution, City Council adopted rule, ordinance adopted by the City or by initiative (whether initiated by the City Council or by a voter petition, other than a referendum that specifically overturns the City's approval of any of the Entitlements) shall directly or indirectly limit the rate, timing or sequencing and/or density and intensity of use or of the Development in accordance with and as permitted by the Entitlements and this Restated Agreement. Subject to the foregoing, the parties hereto acknowledge the powers reserved to the City's electors in the City Charter.

2.5.2 Authority of City. This Restated Agreement shall not be construed to limit the authority or obligation of City to hold necessary public hearings, or to limit discretion of City or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by City or any of its officers or officials.

2.5.3. Requirements for Subsequent Plans, Guidelines, Funding Mechanisms, Community Facilities Districts and Land Dedications. The following plans, guidelines and funding mechanisms must be completed for the Plan Area by Landowner and approved by the City and land dedications offered to the City prior to approval of the first tentative Small Lot Map for the Property, or any portion thereof, prior to approval of the first final Small Lot Map (or first building permit, if Development may occur without any subdivision) for any portion of the Property, or applicable portion thereof, as follows:

- A. Prior to Approval of First Tentative Small Lot Map:
- (1) Public Right-of-Way and Land Dedication Plan;
 - (2) Open Space Management and Financing Plan;
 - (3) Drainage Facilities Maintenance and Financing Plan; and
 - (4) Design Guidelines.

B. Prior to Approval of First Final Small Lot Map in the FPA (or First Building Permit if Development May Occur Without Any Subdivision):

- (1) Formation of the Sewer and Off-Site Water CFD as provided in the PFFP to fund a portion of the Plan Area sewer and water infrastructure, provided, however, Landowner may elect to exclude the Property, or any portion thereof, from such CFD, subject to Landowner consenting to a map condition and City and Landowner executing an agreement specifying how the Property, or excluded portion thereof, will pay its share of the sewer and water infrastructure, on a building permit by building permit basis (or other payment methodology mutually agreed to by Landowner and the City) that would otherwise be funded by inclusion thereof in the CFD, consistent with the PFFP;
- (2) Formation of the Aquatic Center CFD related to the recreational facilities that may include an aquatic center, sports complex and/or community center, provided, however, Landowner may elect to exclude the Property, or any portion thereof, from such CFD, subject to Landowner consenting to a map condition and City and Landowner executing an agreement specifying how the Property, or excluded portion thereof, will pay its share of the recreational facilities, on a building permit by building permit basis, (or other payment methodology mutually agreed to between Landowner and the City), that would otherwise be funded by inclusion thereof in the CFD, consistent with the PFFP;
- (3) Formation of the Parks, Trails, Landscape Corridors, Medians and Open Space Maintenance CFD (the "Services CFD"), the Storm Drainage Maintenance CFD (unless such drainage maintenance is included in the Services CFD), and the Street Maintenance District/Lighting Maintenance District CFD (unless such street maintenance is included in the Services CFD), as provided in the PFFP;
- (4) Adoption of the New Plan Area Fees, including the New Plan Area Fees for City Facilities, the SPIF, and the SPRF, as provided in the PFFP and listed on **Exhibit 2.2.4** attached hereto;
- (5) Dedication or grant of the rights of way and easements for all Backbone Lands for roadways and utilities within the Property as provided herein; and

- (6) For each final Small Lot Map, offers of dedication of the Public Parcel(s) described in Section 3.8.5 below located within the portion of the Property affected by the final Small Lot Map, or within sixty (60) days of Landowner's receipt of a written request for dedication thereof from the City, whichever occurs first.
- C. Prior to First Building Permit within the Property (or portion thereof to be included within an Infrastructure CFD desired to be formed by Landowner):
- (1) Formation of one or more Infrastructure CFDs, which do not need to include the entire Plan Area or the entire Property, to fund a portion of required Backbone Infrastructure or other public facilities as desired by Landowner, and will also fund the Property's share of the improvements and facilities to be funded through the extended-term of the Infrastructure CFDs (the "Extended Term Infrastructure CFD Facilities") consistent with the PFFP and Section 3.2 of this Restated Agreement, provided, however, Landowner may elect to exclude the Property, or any portion thereof, from such Infrastructure CFDs, subject to Landowner and City executing an agreement specifying how the Property, or excluded portion thereof, will pay its share of the Backbone Infrastructure, other public facilities, or the Extended Term Infrastructure CFD Facilities on a building permit by building permit basis (or other payment methodology mutually agreed to between Landowner and the City) consistent with the PFFP.
- D. Compliance with Submittal Requirements. Specific projects proposed under the tentative Small Lot Map shall comply with all submittal and review requirements in effect at the time of submittal.
- E. No Limitation on Timing for Commencement of Special Tax. The parties agree that, except with respect to the Aquatic Center CFD, and the Sewer and Off-Site Water CFD, and the Extended Term CFD (as defined in the PFFP), which will levy special taxes on the Property only after issuance of building permits thereon unless otherwise agreed to by Landowner, nothing in this Restated Agreement limits the timing for commencement of annual CFD tax payments
- F. Landowner Consent. Landowner has agreed to the financing provisions set forth in this Section 2.5.3 and the PFFP and to perform the obligations hereunder in exchange for the consideration and benefits provided to Landowner by City under this Restated

Agreement. Accordingly, Landowner does hereby irrevocably consent to: 1) the formation of a CFD, the issuance of CFD Bonds, the imposition of taxes against the Property with respect thereto, and the apportionment of the costs and expenses of the proposed Backbone Infrastructure, Facilities, Maintenance and other CFD purposes as set forth in the PFFP, and waives any and all right of protest or objection with respect thereto or 2) the execution of an agreement with the City to pay its share of the improvements that otherwise would be required consistent with the terms set forth in this section.

G. CFD Districts. CFDs may be formed as stand-alone districts or combined, at the discretion of the City and in consultation with the landowners.

2.5.4 **Satisfaction of LAFCO Conditions.** The Parties acknowledge that Development consistent with the terms and conditions of the Entitlements and this Restated Agreement complies with and satisfies all conditions for development imposed in the annexation process by the LAFCO Commission under LAFCO Resolution No. 1196.

2.5.5 **Mather Noise Easements.** Landowner shall, prior to or concurrent with the execution and recordation of this Restated Agreement, record a noise easement over the Property in the form attached hereto as **Exhibit 2.5.5** relating to noise caused by aircraft arriving or departing from Mather Airport.

2.5.6 **School Impact Mitigation.** Landowner shall comply with Measure W and Section 16.32.110 of the Folsom Municipal Code and mitigate all impacts on the demand for school facilities associated with Development pursuant to the Entitlements and this Restated Agreement through the payment of school impact fees adopted by the Folsom Cordova Unified School District in accordance with applicable statutory authority and requirements (the "Statutory School Impact Fees"). The Statutory School Impact Fees shall be paid as and when building permits are issued for development within the Property required to pay the Statutory School Impact Fee, except as the timing for such payment may be deferred by agreement between Landowner and the Folsom Cordova Unified School District. The revenues to be generated by the Property's payment of such Statutory School Impact Fees, in combination with the general obligation bonding capacity and state funding available to the Folsom Cordova Unified School District, are anticipated to fully mitigate all impacts on the demand for school facilities associated with Development in compliance with the requirements of the school mitigation provision set forth in Measure W (Folsom Charter Provision Section 7.08D) and of LAFCO Resolution No. 1196, Section 13 (requiring incorporation of feasible school impact mitigation). Nothing in this Restated Agreement is intended to address funding of schools under applicable laws or subsequent amendments to such laws.

2.6 Application, Development and Project Implementation Fees. Landowner shall pay application, development processing, inspection and plan checking fees and charges as may be required by City under the regulations existing at the time of submittal.

ARTICLE 3

LANDOWNER OBLIGATIONS

3.1 Development, Connection and Mitigation Fees. Except as otherwise provided in this Restated Agreement, any and all required payments of development, connection or mitigation fees by Landowner shall be made at the time and in the amount specified by then applicable City ordinances.

3.2 Infrastructure CFDs. Except as may otherwise be agreed to by Landowner and the City during the formation of an Infrastructure CFD for the Property as provided in Section 2.5.3, the following specific provisions shall be included within the applicable terms and conditions of an Infrastructure CFD related to the Property. The CFD shall be consistent with any City adopted Finance Policies relating to such financing, the current policy is provided in Resolution No. 9282 and the City's Financial Policies adopted on May 25, 2004 or as hereafter amended. The term of the special tax to be levied by any Infrastructure CFD against the Property shall be sufficient to support multiple bond sales and Pay-Go revenues as described in the PFFP. Available CFD bond proceeds and/or special tax proceeds may also be used to fund reimbursement of previously paid SPIFs but such proceeds may not be used for any other fees, including Impact Fees. In no event shall CFD proceeds be used to pay SPIF obligations arising out of dedication of land, including but not limited to dedications for roads, schools, parks, and trails. Payment of SPIF obligations, fee reimbursements from the SPIF, and SPIF fee credits converted from outstanding SPIF reimbursements, shall be allowed and available to Landowner for Infrastructure CFD Improvements financed by CFD proceeds generated by and allocable to the Property. When the CFD's are created the City will include provisions that permit the use of excess capacity for eligible facilities as outlined in the CFD formation documents. For purposes of this section, excess capacity is defined as capacity over and above full payment for the primary eligible facilities identified in the CFD formation documents. Where a CFD is used for eligible facilities Landowner shall not be entitled to any fee credits, except for SPIF fee credit or reimbursement from the SPIF program for that portion paid for with CFD funds.

3.2.1 Participation by Landowner. With respect to the formation of any Infrastructure CFDs, nothing in Section 3.2 or Section 2.5.3 shall be construed to require Landowner to form an Infrastructure CFD provided Landowner pays its fair share or enters into an agreement with the City to pay its fair share contribution for Plan Area wide CFD facilities at the time the CFD is formed and when the special tax is levied. Further, if a CFD is formed, nothing precludes the payment by an owner of any parcel(s) within the Property to be included within the Infrastructure CFD of a cash amount equivalent to its proportionate share of costs to be financed for the Infrastructure CFD improvements, or any portion thereof, prior to the issuance of any CFD bonds by such Infrastructure CFD.

3.2.2 Formation of CFD Subject to City Discretion. Nothing in this Restated Agreement shall be construed to require City to form a CFD if City determines,

in its reasonable discretion, that formation would not be consistent with adopted City policies and prudent public fiscal practice.

3.3 Alternative Financing Mechanisms. Nothing herein shall be construed to limit Landowner's option to install any improvements through the use of traditional assessment districts or private financing or other financing mechanisms as permitted by law and authorized by the City. Landowner is solely responsible for all costs related to the construction and installation of all infrastructure improvements required for Development of the Property as set forth in the PFFP, and understands and agrees that the City shall not be responsible for any of such costs. To the extent the costs of the infrastructure improvements and public facilities required for Development of the Property exceeds the proceeds from the Infrastructure CFDs or other financing mechanism of the Landowner, Landowner shall be solely responsible for such shortfall without reducing levels of service or facilities identified in the Public Facilities Financing Plan.

3.4 Disclosure to Subsequent Purchasers. This Restated Agreement shall constitute notice to all successors to Landowner hereunder, and to all subsequent purchasers of any lots, parcels and/or residential units within the Property, of all of the matters set forth herein, provided, however, the effect of this notice and disclosure shall automatically terminate and be of no further force or effect upon any termination of this Restated Agreement with respect to any such lots, parcels and/or residential units, including without limitation, any termination of this Restated Agreement pursuant to the terms of this Restated Agreement.

3.5 EIR Mitigation Measures. Notwithstanding any other provision in this Restated Agreement to the contrary, as and when Landowner elects to Develop the Property, or any portion or phase thereof, Landowner shall be bound by, and shall perform, or cause to be performed, all mitigation measures contained in the Specific Plan EIR and any Supplemental Environmental Review(s) related to Development of the Property which are adopted by City and are identified in the Mitigation and Monitoring and Reporting Program as being a responsibility of Landowner for Development of the Property.

3.6 Mitigation Monitoring and Reporting Program. Separate from and in addition to the requirements in Section 3.5 of this Restated Agreement, Landowner shall be responsible for all of the costs and expenses associated with the Mitigation Monitoring and Reporting Program under the California Environmental Quality Act as part of the Specific Plan EIR and any Supplemental Environmental Review(s) related to the Development. In furtherance of this provision, Landowner shall pay all costs required by the City associated with the Mitigation Monitoring and Reporting Program as set forth in the conditions of approval on the Entitlements.

3.7 Backbone Infrastructure. Based on the Specific Plan and the PFFP, the Backbone Infrastructure required to support development of the Plan Area consistent with applicable City development standards consists of the improvements that are required to provide access and public utilities to any part of the Plan Area, as

more particularly described and listed as the Backbone Infrastructure in **Exhibit 2.2.1** attached hereto. Landowner's obligation to install any of the Backbone Infrastructure, or any elements thereof, in connection with its Development shall be determined by the City in accordance with the development phasing provisions of Section 3.9 below. The parties recognize that the definition of Backbone infrastructure in the PFFP excludes sound walls and landscape corridors and Landowner agrees that such costs are the Landowner's responsibility on a project basis.

The City will use reasonable efforts to seek other funding to assist Landowner with the costs of the Backbone Infrastructure such as supporting the (a) formation of CFDs and adoption of fees described in the PFFP and this Restated Agreement; (b) collection of reimbursements by other benefitted properties under SPIF, and (c) application such as applying for available regional, statewide and federal funding for Backbone Infrastructure.

3.7.1 White Rock Road Improvements. As part of Sacramento County's transportation planning for the area that includes the Plan Area, the County approved a plan and certified an EIR for the Southeast Capital Connection that includes road improvements to White Rock Road along the southern boundary of the Plan Area. In connection therewith, the County prepared a study, a copy of which is attached to the PFFP, that allocates \$15.2 million to the Plan Area as its fair share for the Southeast Capital Connection improvements and intends to include such costs within its pending Sacramento County Development Transportation Fee (the "SCDTF") to finance such road improvements. The Landowners shall pay the SCDTF as the Plan Area's fair share of funding for improvements to White Rock Road as part of the Southeast Capital Connection. The City agrees that the Plan Area's obligation to construct any improvements to White Rock Road shall be limited to dedication of easements and rights-of-way required for improvements to White Rock Road and payment of its fair share obligation set forth in the SCDTF adopted or to be adopted by the County. The only road improvements to White Rock Road to be included in the list of Backbone Infrastructure shall be the intersection improvements within the Plan Area required to connect the Plan Area roadway network to White Rock Road, including without limitation, the intersection improvements planned at Oak Avenue, Scott Road (east), Placerville Road and Empire Ranch Road; no other improvements to White Rock Road shall be required to be funded by the Plan Area (except through the payment of the SCDTF) or included within the list of Backbone Infrastructure, including without limitation, any potential grade separations along White Rock Road.

If the Connector alignment changes or the alignment requires right of way from Landowners in the Folsom Plan Area, Landowner(s) will sell the land necessary to facilitate the connector project at no cost to the City, but upon compensation acceptable to Landowner(s) to be paid by other entities, such as the Capital Southeast Connector Joint Powers Authority (the "Connector JPA"). Nothing herein shall limit compensation paid by other entities. No compensation from the City will be required for connections to the Connector project as identified in the Backbone Infrastructure. City will cooperate with the Participating Landowners, including Landowner, to support, as may be

necessary, the desired alignment for the Connector as shown in the Specific Plan with the Connector JPA.

3.8 Dedications of Backbone Lands. If and to the extent not previously granted by Landowner pursuant to the Tier 1 Development Agreement, rights of way and easements for all Backbone Lands will be granted to all the Landowners in a format acceptable to the City for purposes of access and construction of public improvements, and to the City in a form acceptable to the City, prior to the recordation of the first final parcel or subdivision Map for the Property, but in no event later than 180 days after the Effective Date for purposes of access and public utilities. Such dedications and/or grants shall be at no expense to the City. As necessary, the easements shall also benefit the City. These rights of way and easements will be recorded at the Sacramento County Recorder's Office and shall be for the benefit of each Landowner. The Backbone Lands on which Backbone Infrastructure are to be constructed are depicted on **Exhibit 3.8** attached hereto and made a part hereof (the "**Backbone Lands**"). The easement width for Backbone Lands shall be to the width of the road right-of-way plus 25' or the back of the landscape corridor, whichever is less and include a temporary construction easement of a width adequate to allow the necessary grading to construct the improvement and to facilitate construction access, including increasing the width when required by site conditions. In the case of an easement outside a road right-of-way, the width shall be consistent with the requirements of the City and include a temporary construction easement. A survey map exhibit of the easements will accompany the descriptions and plats and shall be recorded as a supplemental exhibit(s).

3.8.1 Temporary Construction Easements. The construction obligation of each phase or sub-phase of development of the Plan Area may require construction of certain portions of Backbone Infrastructure on the property of other Specific Plan Landowner(s). This will require access for the purpose of construction on, over and across the Backbone Lands. To assure that all owners of land within the Specific Plan have confidence that they can access, construct, and offer to the City public improvements required of the phase or sub-phase of development, Landowner hereby agrees to provide all other Landowners, without cost, rights of way, easements, and temporary construction and access easements to those Backbone Lands on which Backbone Infrastructure is to be constructed as depicted on **Exhibit 3.8** or as later modified for the Backbone Infrastructure in the Plan Area, provided any such modifications shall not affect the location of the Backbone Infrastructure within the Property without the Landowner's consent. Such temporary construction easements shall include the ability to access open space parcels to construct improvements required by conditions of applicable Clean Water Act Section 404 Permit(s). Subject to indemnification of the other Landowner(s) and the City, when applicable, by the Constructing Owner, such access temporary easement rights shall not be withheld, nor shall the Constructing Owner be required to pay any compensation to any underlying Landowner(s) for such access easement, during the term of this Restated Agreement. Temporary construction easements shall automatically terminate upon formal acceptance of the fully-completed public improvements by City in writing. Nothing shall limit the terms of temporary access easements related to insurance, indemnification,

restoring premises to pre-easement condition and non-interference with uses of the burdened property and other reasonably necessary terms relating to such easements.

3.8.2 **Manner of Dedication.** The easements described in this Section 3.8 may be granted or dedicated, as the case may be, by separate legal instruments, or by reference thereto on the face of a parcel map or subdivision map for the sole purpose of right of way and utility easement dedication, which shall be recorded with the Recorder's Office of the County of Sacramento. City shall use its best efforts, to the greatest extent permitted by law, to impose the obligations described in this Section 3.8 upon every owner of land within the Plan Area.

3.8.3 **Adjustments to Dedications.** City and Landowners acknowledge that, as Landowner processes large lot and small lot subdivision maps for the Property and as the Connector or other public projects envisioned in the Plan Area progress, or any portion or phase thereof, minor adjustments to the boundaries of the areas dedicated pursuant to the terms of the Restated Agreement may be required based on the final engineering for such maps and Landowner and the City may also propose to relocate certain roadways, utilities or other City facilities. City and Landowner agree to cooperate with any such proposed adjustments or relocations, provided the approval of such adjustments or relocations shall be subject to the City's sole discretion. Upon such approval, City and Landowner will cooperate to effect such adjustments or relocations, subject to Landowner offering to dedicate to the City any replacement area that may be required by such adjustment or relocation so long as any such replacement area has not then been developed by Landowner.

3.8.4 **Release of Excess Offers of Dedication/No Compensation.** In addition to adjustments to dedicated property pursuant to Section 3.8.3 above, City may determine, in its sole discretion, that certain property offered for dedication may not be necessary for public purposes associated with the Specific Plan. Because the offers of dedication previously made pursuant to this Restated Agreement have been or are being made early in the planning process to assure the availability of the areas planned for the Backbone Infrastructure, City agrees: 1) that unnecessary easements or IOD's will be abandoned or quitclaimed to the original grantor or its successor-in-interest; and 2) that subsequent quitclaims or releases of areas approved by the City that were previously offered for dedication by Landowner shall not require any compensation to be paid by Landowner or its successor-in-interest for the property released unless Landowner or successors have been paid for the land through the SPIF or other program, notwithstanding any existing City ordinances or policies to the contrary. The timing and conditions for release of excess dedication is solely in the City's reasonable discretion. Landowner's early dedication hereunder, together with its covenant to dedicate any replacement area that may be required by an adjustment or relocation, provides adequate compensation to the City for any such subsequent abandonment by the City of these dedicated areas.

3.8.5 **Dedication of Public Parcels.** Portions of the Property, if any, described and designated as Public Parcels as shown on **Exhibit B** and further described in Appendices I through M and Appendix O of the PFFP (the "Public

Parcels”), shall be offered irrevocably for dedication or granted to the City, at the City’s discretion and in a form acceptable to the City, free and clear of any encumbrances (including but not limited to any assessment or special tax previously imposed on the properties), when requested by the City, whichever is sooner. The Public Parcels shall be offered for dedication or granted to the City by Landowner within either: (i) 60 days of the Landowner’s receipt of a written request from the City therefore, or (ii) upon recordation of a Final Small Lot Map that includes the Public Parcels, whichever occurs first.

Dedications and/or grants provided herein shall be at no expense to the City. The timing of acceptance of the Public Parcels is subject to the reasonable discretion of the City. The irrevocable offers of dedication or grants may be granted by separate legal instruments, or by reference thereto on the face of a parcel map or subdivision map, which shall be recorded with the Recorder’s Office of the County of Sacramento. Dedication of Public Parcels shall be subject to approval by the City of: (i) the physical condition of the planned open space and other public property within the Property and (ii) the formation of a financing mechanism acceptable to City to fund the costs of ownership and maintenance responsibility areas as applicable within the Property. As provided in Section 3.8.3, in the event minor adjustments to the boundaries of a Public Parcel dedicated or conveyed to the City for open space or public facilities may be required based on the final engineering of the development in the area, City or Landowner may propose to relocate and/or revise the boundaries of the Public Parcel at the Landowner’s sole cost and expense, subject to City approval at its reasonable discretion.

3.8.5.1 Maintenance of Open Space/Public Property/Fuel Modification Area. Landowner shall include the Property in a financing mechanism(s) for funding the maintenance of open space and other public property within the Plan Area. Landowner will be required to create a funding mechanism satisfactory to the City to create a fuel modification area of between 30 and 100 feet from the Landowner’s property line into any City-owned property or other publicly-owned open space and parkland adjacent to the Property or as provided in the adopted Open Space Management Plan or the City Fire Code. It is the intent of the parties that a funding mechanism will be created by each Development Project or Plan Area wide to pay for the clearing of brush, grasses and other debris along and within adjacent public properties within the Plan Area on an annual basis to reduce fire danger. The fuel modification may be accomplished by a CFD, private homeowners association, other private entity, City resources paid for by the aforementioned funding mechanism or as otherwise agreed to by the parties.

3.9 Phasing of Development. Until December 31, 2015, the City agrees to provide a procedure, at Landowners’ expense, for notification to other Participating Landowners when Landowner has submitted an application for development of the Property, or any portion thereof (each, a “Development Phase”). The purpose of the notification process is to permit coordinating of phasing and construction of infrastructure with other property owners. Each Development Phase application shall be consistent with the provisions of FMC Chapter 16.20 and is intended to inform the

City, as well as other Participating Landowners, of Landowner's intended phasing of development for its Property, including the intended phasing for any Backbone Infrastructure. To the extent practicable, a Development Phase application shall identify anticipated phases beyond Landowner's next, immediate phase of development, in furtherance of this disclosure objective, with more specific and refined phasing information to be included with information available at the time of submittal of improvement plans.

3.9.1 Phasing of Necessary Backbone Infrastructure Through Map Conditions. Each tentative subdivision map or tentative parcel map approved by the City for the Property, or any portion thereof, shall include a condition that requires, for purposes of determining the necessary set of Backbone Infrastructure to be installed in connection with the final subdivision map(s) related thereto, preparation and staff approval of technical engineering studies identifying the Backbone Infrastructure required to meet the then current City's Standard Design and Construction Specifications for such proposed final map. The technical studies are subject to City approval prior to approval of any related final subdivision map or final parcel map, and shall determine the Backbone Infrastructure required to meet the then current City's Standard Design and Construction Specifications and the City's desire to have the Plan Area built in an efficient, cost effective, orderly and cohesive manner consistent with and as required by the Entitlements, based on development of the proposed final map and all other approved and reasonably foreseeable maps within the Plan Area. The technical studies, as approved by the City, will provide the basis for determining the Backbone Infrastructure required to satisfy the condition of the tentative subdivision map and to establish the list of Backbone Infrastructure, if any, required to be installed as part of the subdivision improvement agreement for the proposed final subdivision map or parcel map.

The intent of this technical review is to allow the City to confirm that the portion of the Backbone Infrastructure proposed to be constructed by Landowner in connection with its proposed Development Phase will satisfy the then current City's Standard Design and Construction Specifications and further to determine the extent of Backbone Infrastructure that the City will require Landowner to construct and at the same time allow Landowner to build the Backbone Infrastructure required to satisfy such standards to facilitate development and evaluate the amount of and timing of advance funding and oversizing of improvements related thereto. With respect to roadway improvements specifically, where the technical study requires the installation of all roadway Backbone Infrastructure located adjacent to or within the Development Phase to their full planned right-of-way dimensions, the City shall allow development of the Development Phase consistent with the mitigation measures in the Specific Plan EIR (e.g., Mitigation Measure 3A.15-1d). The calculation of the Level of Service thresholds shall be determined consistent with the methodology employed by the City for evaluating such levels of service for purposes of its General Plan and Circulation Element thereof in effect on the Effective Date of this Restated Agreement.

The scope of the technical studies shall be determined by the City and may identify overlapping facilities required for development of other reasonably

foreseeable projects and potential development in the Plan Area that may be anticipated and required for the orderly development of the Plan Area, as well as any existing deficiencies in service levels that may exist at the time of preparation of the technical studies. Where disagreement arises between the Landowner and the City as to the extent of Backbone Infrastructure and roadway improvements, the City and Landowner will work cooperatively and in good faith to determine the extent of roadway backbone infrastructure to be constructed by the Landowner considering a reasonable timeframe for future projects in the vicinity, reasonably anticipated needs of the City, its residents and businesses, existing service level deficiencies, financial feasibility, and avoiding impacting areas with phased construction projects.

3.9.2 **Phasing of In-Tract Improvements.** Landowner shall be allowed to phase development of an approved tentative subdivision map with multiple final Small-Lot Maps as provided and consistent with Folsom Municipal Code Chapter 16.20.

3.10 **Park Improvement and Trail Funding and Construction.** The timing of park and trail development will be coordinated with public need in the Plan Area, cash flow, and annual City Council budget authorization. The City agrees to use good faith and diligent efforts to complete park construction in a timely manner with respect to Plan Area population and need, as well as other necessary public facilities included in the PFFP. As recreation trends change and evolve, the City reserves the right to modify, add, and delete park and recreation facilities as it deems appropriate to serve the needs of future Plan Area residents consistent with the re-opener provisions set forth in Section 2.2.4.1.

At the City's sole discretion and subject to a separate agreement between City and Landowner, turn-key park improvements may be constructed by the Landowner and receive Park Fee credits therefore, provided however the parties agree that park fee credits are not permitted for park improvements paid for with CFD proceeds. The park construction agreement will specify the location of the park, specific park improvements to be constructed, the timing for commencement and completion thereof, and the Park Fee credits assigned to Landowner.

The costs of construction of park and trail improvements within the Plan Area shall be funded as part of the New Plan Area Fees for City Facilities to be established by the City pursuant to and consistent with the PFFP.

Consistent with the requirements of the Folsom Municipal Code, parkland proposed for dedication must have a general grade of less than five percent (5%). If a proposed site exceeds 5%, Landowner shall rough grade the site to plus or minus one foot (1') of estimated rough grade as approved by the Parks and Recreation Director. Landowner shall not receive credits or reimbursement for rough grading of proposed park sites where grades exceed 5%, except to the extent that the Park Fee has expressly included funding for rough grading to plus or minus one foot (1'). In connection with Landowner's installation of improved access to the park site, Landowner shall receive credits against the Park Fee for rough grading of each park

site associated with overall grading of the mapped portion of the property if the grading plan has received prior approval from the Parks and Recreation Director.

Landowner shall be responsible for installing improved access to each park. Improved access defined in the City of Folsom Standard Street Improvements (typical street pavement width, section and grade, curb, gutter and sidewalk) together with adequately sized utility extensions (water, sewer, storm drain, power, and communication) to edge of right of way on the park site as provided in the project conditions of approval.

3.11 Timing of Access Improvements for Fire Stations. Conditions of approval of tentative subdivision or parcel maps within the Property shall identify when improved access (roads and utilities) must be made available to each Fire Station Site, based on building permits issued within the overall Plan Area.

3.12 Reimbursement of Pro Rata Share of City Costs for Compliance with Requirements of this Restated Agreement. This Restated Agreement provides various requirements or actions by the City. Landowner agrees to pay its Pro Rata share all of the costs of compliance by City staff or consultants retained by the City in order to comply with the requirements of this Restated Agreement where cost of such compliance is not otherwise provided in a fee program. In the case of actions covered by a fee program, Landowner agrees to pay the then existing rate associated with such action, subject to any credits that may be available to Landowner with respect thereto, including any credits associated with advances of such costs by Landowner. In no event shall these costs be the responsibility of the City.

3.13 Sales Tax Point of Sale in City of Folsom. Landowner and the City share, to the fullest extent feasible, the mutual goal of maximizing sales tax revenue in the City of Folsom and supporting Folsom-based businesses. Landowner agrees that for any Backbone Infrastructure construction project or public facility construction project financed by the New Plan Area Fees that meet the requirements of the Board of Equalization Regulation 1806, Landowner shall include in its bid specifications and construction contracts for such project that the City of Folsom shall be the point of sale for any applicable sales tax and that Contractor shall take such actions as may be required under the Board of Equalization Compliance Policy and Procedures Manual (CPPM) in order to establish the City of Folsom as such point of sale. To further the intent of this provision, Landowners agree to bundle comparable and similar Backbone Infrastructure construction projects and public facility construction projects financed by the New Plan Area Fees (such as similar road or utility projects that are required to serve the Landowner's development) where feasible in order to meet the monetary threshold in CPPM Section 260.020 (\$5 million as of the effective date of this Agreement), as amended from time to time.

Notwithstanding the foregoing, Landowner's bid specifications or construction contracts may include that a Contractor shall be exempt from having to comply with such point of sale provisions if such compliance will cause Contractor to violate any

legal or contractual requirement such Contractor may have at the time of its bid or execution of such construction contract.

Landowner also agrees to include provisions in its bid specification and construction contracts for any Backbone Infrastructure or public facilities construction project financed by the New Plan Area Fees that, to the fullest extent economically feasible, where the Contractor receives “comparable” bids for materials, considering not only price, but also the quality, service and experience of the suppliers, the Contractor will accept the comparable bid that maximizes the acquisition of construction materials from suppliers in Folsom or where the point of sales for sales tax purposes is Folsom. For any Backbone Infrastructure construction project or public facility construction project financed by the New Plan Area Fees in the FPA, Landowner shall include in its bid specifications and construction contracts that the Contractor demonstrate to the City that it has made a good faith effort to utilize and enter subcontracts with suppliers of goods which have a point of sale in the City of Folsom taking into account all such factors. City acknowledges the potential adverse impacts of a delay in the contracting process and therefore agrees that it will not unreasonably delay its evaluation of the Contractor’s compliance with this provision.

Landowner’s obligations hereunder shall extend only to the requirements to include such provisions in such bid specifications and construction contracts. Contractor’s failure to comply with such contractual provisions shall not be deemed for any reason to constitute a default by Landowner under this Restated Agreement.

ARTICLE 4

CITY OBLIGATIONS

4.1 City Cooperation. City agrees to work in good faith with Landowner as it applies to City for permits that may be required by City and, to the extent applicable, other public, state and federal agencies. In the event state or federal laws or regulations enacted after this Restated Agreement has been executed or action of any governmental jurisdiction other than the City prevents or precludes compliance with one or more provisions of this Restated Agreement, or requires material modification of the Entitlements, Landowner shall notify City in writing of the anticipated duration of any delay caused thereby, and, provided any such delay is not the fault of Landowner, the parties agree Landowner may seek an extension of this Restated Agreement as approved by the City Council as may be reasonably necessary to comply with such new state and federal laws or regulations or the regulations of the other governmental jurisdictions.

4.2 New Plan Area Fees. In addition to Existing City Fees applicable to the Property, the following development impact fees (collectively, the “**New Plan Area Fees**”) will be adopted and imposed by the City to mitigate the impacts of development within the Specific Plan and equitably spread the burden of such mitigation to all benefitted properties within the Specific Plan as contemplated or required by the PFFP and this Restated Agreement:

4.2.1 Specific Plan Reimbursement Fee. Certain landowners within the Plan Area thereto (the "Advancing Owners") have paid the costs for the preparation of the City feasibility studies, other technical studies, the Specific Plan, including design guidelines, development standards, financing plan(s), and infrastructure plans, and the EIR and other environmental studies. Such preparation has benefited other non-participating owners of property within the Plan Area (the "Reimbursing Owners"). A list of the Advancing Owners and Reimbursing Owners, and the properties within the Specific Plan owned or controlled thereby, is attached hereto as **Exhibit 4.2.1**. To provide the Advancing Owners with reimbursement for the planning and environmental costs described above, the parties agree that the City shall require the Reimbursing Owners to pay to City a specific plan fee, on terms and conditions acceptable to City (the "Specific Plan Reimbursement Fee" or "SPRF"). The SPRF shall be proposed to the City Council pursuant to the provisions of Government Code Section 65456. Adoption of the SPRF and the amount of its fees shall be at the discretion of the City Council, and nothing herein prohibits subsequent modification or repeal of any fee, except that the SPRF, if adopted by the City Council, shall not be repealed during the Term of this Restated Agreement and shall not be modified in a manner to significantly alter the ability of a Landowner to be reimbursed for advances. Subject to the foregoing, City shall make a good faith, diligent effort to establish the SPRF within one (1) year of submittal of all of the eligible costs for reimbursement by the Advancing Owners for City's review, which shall be submitted within six (6) months of the approval of the later of the Effective Date.

The costs eligible for reimbursement shall be submitted to the City by the Advancing Owners for City's review and approval. Except as may otherwise be provided by the ordinance adopting the SPRF, the SPRF shall become payable by a Reimbursing Owner after such Reimbursing Owner applies for any land use entitlements for Development of the Reimbursing Owner's property within the Plan Area, or any portion thereof, and shall be due within ten (10) days after written notice from the City that such application for entitlements is complete or deemed complete by the City pursuant to California Government Code Section 65943. In the event of a dispute between the Advancing Owners and any Reimbursing Owner or pertaining to submittals by Advancing Owners to the City related to repayment of SPRF costs, amount of allowable reimbursement or other matters related to the SPRF program, the City shall examine the facts and shall make a determination on the dispute, which may be reviewed upon request by the City Manager and subject to appeal to the City Council, which decision shall be final and binding, subject only to review by writ of mandate.

Since the SPRF is for the benefit of the Landowner as a member or successor of the Advancing Owners, the Participating Landowners, including Landowner and Advancing Landowners, shall protect, defend, indemnify and hold harmless the City and its officers, agents, and employees from any and all claims and/or causes of action, whether at law or in equity, for any loss or damage relating to the SPRF reimbursement, excluding any claims or causes related thereto solely caused by willful misconduct of such indemnitees. In no case shall the repayment of SPRF be an obligation or a liability of the City, beyond payment of moneys received.

4.2.1.1 **No SPRF Reimbursements or Credits On Default.** No Landowner shall be entitled to SPRF reimbursement or credits, nor may any credits be used if Landowner is in default of any of its obligation to the City whether arising out of this Restated Agreement or other project specific obligations.

4.2.2 **Specific Plan Infrastructure Fee.** To provide for an equitable funding mechanism for the Backbone Infrastructure to be installed to serve development of the Plan Area, to pay for certain City costs or the City loan and to provide a funding mechanism as described below to pay City for Plan Area wide costs not otherwise covered by a fee or agreement, City and Landowner, together with other Participating Landowners, agree to implement a Specific Plan Infrastructure Fee ("SPIF"). The basic terms and provisions to be incorporated into and used to establish and implement the SPIF are included in the PFFP, as more particularly described in Appendix S of the PFFP, and City agrees to establish the SPIF materially consistent with the terms and provisions of the PFFP and Appendix S, provided nothing herein is intended to limit the City's ability to adopt a SPIF ordinance or New Plan Area fees to accomplish the purposes of the SPIF and the PFFP. As more particularly described in the PFFP and Appendix S, the SPIF will be collected by the City and the proceeds thereof used to fund the cost of dedication of the Backbone Lands and Public Parcels and of the construction of the Backbone Infrastructure, paying certain City costs and repaying the City loan, or as the case may be, equitably reimburse or credit the Specific Plan Landowners who dedicate such Backbone Lands and Public Parcels and construct the Backbone Infrastructure. The SPIF shall further include a component to reimburse the City for staff, consultant and other expenditures required for actions to implement the PFFP on a plan area wide basis where such costs are not otherwise included in reimbursement agreements or other funding mechanisms. (Examples of such work may include but is not limited to ordinances, agreements, fee and other studies and plans, guidelines, and area wide permits). The SPIF shall provide the Specific Plan Landowners who dedicate the Backbone Lands and Public Parcels and/or install the Backbone Infrastructure with reimbursements from the SPIF (that are also convertible to credits against the SPIF) as provided in the PFFP and as will be detailed in the SPIF ordinance.

Adoption of the SPIF shall be by ordinance approved by the City Council. The eligible SPIF costs for reimbursement shall be submitted to the City by Landowners for City's review and approval. Nothing herein prohibits subsequent modification or repeal of any fee, except that the SPIF, if adopted by the City Council, shall not be repealed during the Term of this Restated Agreement, except by unanimous agreement of the Participating Landowners, which may involve an agreement upon an alternative funding source acceptable to the parties. City shall make a good faith, diligent effort to establish the SPIF within one (1) year of the Effective Date. As described in the PFFP, the SPIF shall thereafter be adjusted from time to time upon request of a Participating Landowner or the City, but not less than annually, based on updates to the dedicated land values and costs of construction (pursuant to an index or other cost of construction adjustment). The timing for payment of the SPIF shall be as provided by the PFFP and the ordinance adopting the SPIF.

Since the SPIF is for the benefit of the Landowner as a member or successor of the Advancing Owners, Landowner, shall protect, defend, indemnify and hold harmless the City and its officers, agents, and employees from any and all claims and/or causes of action, whether at law or in equity, for any loss or damage relating to the SPIF reimbursement, excluding any claims or causes related thereto solely caused by willful misconduct of such indemnitees.

4.2.2.1 **No SPIF Reimbursement for Required Park Dedication.** In no case shall SPIF reimbursement apply for required dedications of parkland pursuant to the City's Quimby ordinance. In other words, SPIF reimbursement is applicable only when the Landowner has dedicated over and above the dedication requirements provided in City ordinances.

4.2.2.2 **No SPIF Reimbursements or Credits On Default.** Landowner shall not be entitled to SPIF reimbursement or credits, nor may any credits be used if Landowner is in default of any of its obligation to the City whether arising out of this Restated Agreement or other project specific obligations. In the event of a default, the City may pay any SPIF fees received to the next Constructing Owner with the highest priority for SPIF reimbursement until such time as Landowner has cured the default, at which point Landowner then shall regain its priority status for future reimbursement.

4.3 Reimbursements/Credits Personal to Dedicating and Constructing Owner. Any reimbursement due to Landowner as a Constructing Owner (and any fee credits converted from such reimbursements by Landowner) as provided in the Restated Agreement and pursuant to the terms of the PFFP and the adopting ordinances for the SPIF shall be the personal property of Landowner and shall not be affixed to or run with the land. Any such fee reimbursements and converted credits shall be subject to and contingent upon Landowner as a Constructing Owner entering into a fee reimbursement agreement with the City to document Landowner's rights to such reimbursements and provide for the City's administration thereof (a "Fee Reimbursement Agreement"). The Fee Reimbursement Agreement shall provide that the rights of a Constructing Owner shall be protected from the effects of any proposed amendment to Sections 2.2.1, 4.2.1, 4.2.2 and 4.3 of this Restated Agreement.

Except as may otherwise be limited by the applicable fee program, Landowner may sell, assign, transfer or hypothecate any such reimbursement or converted credits in a manner consistent with this section and with the adopted SPIF ordinance at any time upon written notice to City, provided the transferring Landowner owes no monetary obligation to the City at the time of such proposed transfer. If Landowner owes City any monetary obligation within the Plan Area at the time of such proposed transfer the City may, in its discretion, either require the monetary obligation to be met before transfer of the credit or apply any reimbursement or converted credit then owned by Landowner against the obligation owed by Landowner.

Credits against the SPIF, converted from reimbursements or transferred as provided in this section and consistent with the PFFP, may only be used in conjunction

with Development of the Property (with respect to credits associated with Landowner's dedication of Backbone Lands or Public Parcels) or Development of the Constructing Owner's Property (as described below, with respect to credits associated with Landowner's construction of improvements financed by the SPIF), and may only be used to satisfy SPIF obligations. For purposes hereof, where Landowner is the Constructing Owner, the "Constructing Owner's Property" within which any such converted credits may be applied against the SPIF shall refer to the area within the Specific Plan, including the Property, outlined on **Exhibit 4.3** attached hereto, together with any additional property contiguous thereto, not exceeding five percent (5%) in area, that may hereafter be added to the description thereof by lot line adjustment, subdivision or other such lawful land division and requested by Landowner as the owner of such converted credits to be eligible for application in conjunction with Development thereof; as part of each Fee Reimbursement Agreement, a map of the Constructing Owner's Property shall be attached to and maintained for purposes of administering and tracking the application of any such converted credits.

4.4 Collection and Administration of New Plan Area Fees. When the City adopts the New Plan Area Fees, there will be administrative costs associated with administration of the fee programs and such fees will include a percentage or other component to ensure that the City does not have any unreimbursed expenses related to the administration of such fees. The fee shall be in an amount required to reimburse the City for the actual, direct costs of administration of such fee program. The fees may provide an adjustment for inflation as determined by the City Council. In no case shall the City, in any manner be subject to any liability for failing to collect any fees specified herein other than paying to the Landowner any fees collected and in no case shall any SPIF repayment be an obligation of the City beyond payment of moneys received, less administrative costs. The parties agree that the City has no obligation to pay any fees or make any reimbursement for cost incurred except to the extent that such fees have been collected from the Landowner. The parties agree and acknowledge that the obligations in Article 6 of this Restated Agreement relating to Defense, Indemnification and Hold Harmless are applicable to any challenges, claims or suits associated with the fees referenced herein (provided any such costs to successfully defend such fees shall be included for reimbursement to Landowner and other Participating Landowners as a cost of such fees).

Upon receipt of any proceeds from the SPRF or SPIF (or from any other development impact fee for facilities with respect to which Landowner has advanced funds and is entitled to reimbursement therefore pursuant to a fee reimbursement agreement with the City), City shall, to the extent permitted by law, pay the applicable share thereof, if any, to Landowner or its assignee, without regard to the status of Landowner's development activities on the Property and consistent with the terms of the applicable fee program ordinances. In the event of a dispute between the Participating Landowners or between the Advancing Owner and the City relating to payment of SPIF fees allowable reimbursement or credits or other matters related to the SPIF program, the City shall examine the facts make a determination on the dispute, which may be reviewed upon request by the City Manager and subject to appeal to the City Council,

which decision shall be final and binding, subject only to review by writ of mandate. The process and timing shall be set forth in the SPIF ordinance.

The City will use its good faith efforts to collect the fees in the manner described herein, however is not required to take legal action or other legal remedies. If despite its good faith efforts or if it elects not to pursue recovery of fees owed, then City shall, upon request by Landowner assign its rights to Landowner so that it can pursue collection of the applicable fee from the benefitting, non-paying owner. However, City may continue to collect such fees from other persons seeking governmental approvals and, if it collects such fees, City shall, to the extent reimbursements are owed, pay the applicable shares of such proceeds to Landowner or Landowner's assignee to the extent permitted by law and to the extent such proceeds are actually received by the City.

Nothing in this section or this Restated Agreement obligates the City to take any legal action to collect any SPIF or SPRF obligation. In the event any such action is taken by the City upon the written request of Landowner or with the written consent of Landowner, then Landowner shall be responsible for all attorney's fees and expenses associated with the collection efforts of the City, if and to the extent such costs are not otherwise funded by the administration component of the SPIF or through any administrative or legal action taken by the City against the non-paying owner.

The City shall, to the extent legally permissible, condition final approval of an entitlement for any development within the Plan Area on payment of lawfully owed SPIF or SPRF obligations.

4.5 Applications for Permits and Entitlements. City agrees that it will accept, in good faith, for processing review and action, all applications for development permits or other entitlements for use of the Property in accordance with the Entitlements and this Restated Agreement, and shall exercise its best efforts to act upon such applications consistent with department policy and practice. Accordingly, to the extent that the applications and submittals are in conformity with the Entitlements and this Restated Agreement and adequate funding by Landowner exists therefore, City agrees to diligently and promptly accept, review and take action on all subsequent applications and submittals made to City by Landowner in furtherance of the Project. Similarly, City shall promptly and diligently review and act upon improvement plans, conduct construction inspections and accept completed facilities constructed in accordance with the approved improvement plans therefore, as determined by the City to the City's satisfaction. Nothing in this section is intended to shorten any statutory review periods. City may utilize, consistent with City policy, outside consultants for inspection and plan review purposes at the sole expense of Landowner. Landowner acknowledges that, notwithstanding the ability to hire such outside consultants, City may need to retain adequate staff to supervise the work of the consultants, which may require additional lead time and expense in order for the City to effectively and efficiently use the consultants to assist in this work.

4.5.1 **Plan Check.** City shall use good faith, diligent efforts to promptly review and process improvements plans submitted by Landowner and return comments as soon as practicable in the ordinary course of business.

4.5.2 **Compliance with Government Code Section 66473.7.** A subdivision, as defined in Government Code Section 66473.7, shall not be approved unless any tentative map prepared for the subdivision complies with the provisions of said Section 66473.7; this provision is included in this Restated Agreement to comply with Section 65867.5 of the Government Code.

4.6 **Water Supply.** A Judgment Validating Water Supply Agreement) was entered by Sacramento County Superior Court Judge Raymond Cadei on October 16, 2013 (Sacramento County Superior Court Case No. 34-2013-00138798. Subject to Landowner, as a party to the Water Supply Agreement or successor thereto, complying with its obligations under the Water Supply Agreement, the City shall make the FPA Water Supply (as defined in the Water Supply Agreement) available to Development of the Property, in accordance with the terms of the Water Supply Agreement. Nothing in this Restated Agreement or the Water Supply Agreement shall limit the City's ability to address water shortages on a citywide basis, including but not limited to cut backs, limitations on water use as provided in the Folsom Municipal Code or by City Council action and other steps to assure an adequate supply exists for all residents and businesses.

4.7 **City Acceptance of Conservation Easement(s) on Open Space.** Subject to approval by the City, in the City's reasonable discretion, of (i) the physical condition of the planned open space within the Plan Area, (ii) the form, restriction and limitation on any areas proposed or intended to be open for general public access or use associated with the conservation easement(s) over such open space areas, and (iii) the formation of a financing mechanism acceptable to City to fund the costs of the City's ownership and maintenance responsibility for the open space areas as the grantee under the conservation easement(s), the City shall accept, as grantee, the rights and obligations under the conservation easements for the open space areas within the Specific Plan for wetlands permitting and mitigation purposes pursuant to Section 404 of the Clean Water Act.

Subject to project conditions deemed necessary by the City, including payment of mitigation costs, City may authorize mitigation measures to be implemented on open space or other land to be dedicated for a public use in its discretion provided such does not limit the City's intended and anticipated use of the property, adequate funding is provided and compensation for any mitigation bank is paid. Prior to the use of any open space or other land to be dedicated to a public use for mitigation purposes owner must receive City Council approval.

4.8 **City/County SCDTF Agreement/Highway 50 Coalition Fee.** As provided by the MMRP, the Plan Area is obligated to fund, among other things, its fair share of the cost to widen Highway 50. Within one (1) year from the Effective Date of this Restated Agreement, the City shall use good faith, diligent efforts to enter into an

agreement with Sacramento County to grant Plan Area landowners, including Landowner, credit against the Sacramento County Development Transportation Fee ("SCDTF") for duplicate funding of any Backbone Infrastructure that is also included for funding in the proposed Highway 50 Coalition Fee, as, if and when the same is adopted by Sacramento County, unless no duplicate funding of any Backbone Infrastructure was included in the Highway 50 Coalition Fee. City and Landowner will use good faith efforts to cause adoption and implementation of said Highway 50 Coalition Fee in the amount and as described in that certain report entitled "Fair Share Cost Allocation – Sacramento County and City of Folsom," prepared by DKS, dated November 9, 2012. The parties anticipate that the Coalition Fee will satisfy, among other things, the Plan Area's obligation to fund its fair share of the Highway 50 widening. If such Highway 50 Coalition Fee is not adopted within one (1) year of the Effective Date, the City shall use good faith, diligent efforts to enter into an alternative agreement with the California Department of Transportation or appropriate agencies to create an alternative financing mechanism acceptable to the Participating Landowners whereby the Plan Area's obligation to fund its fair share of the Highway 50 widening can be satisfied.

4.9 Assistance with Acquisition of Necessary Real Property Interests. In any instance where Landowner is required by this Restated Agreement to construct any public improvement on land not owned by Landowner or other Participating Landowners, Landowner at its sole cost and expense shall, in a timely fashion to allow it to construct the required improvements, acquire or cause to be acquired the real property interests necessary for the construction of such public improvements.

Subject to City's concurrence, in the event Landowner is unable after exercising all reasonable efforts, including but not limited to the rights under Sections 1001 and 1002 of the California Civil Code, to acquire the real property interests necessary for the construction of such public improvements as to property within the City of Folsom, Landowner shall request the City to assist in the acquisition of the necessary real property interests. Landowner shall provide adequate security for all costs the City may reasonably incur (including the costs of eminent domain proceedings, legal fees and costs, and the value of the real property). Upon receipt of the security in a form acceptable to the City Attorney, City shall commence negotiations to purchase the necessary real property interests to allow Landowner to construct the public improvements as required by this Restated Agreement and, if necessary, in accordance with the procedures established and to the extent allowed by law, may use its power of eminent domain to acquire such required real property interests. Any such acquisition by City shall be subject to the City's discretion, which is expressly reserved by City, to make all necessary findings to acquire such interest, including a finding of public necessity.

In those circumstances where the City owns property in fee on or over which development of the Property requires permanent and temporary construction easements, road rights-of-way and/or sites for public facilities, City shall grant, at Landowner's sole cost and expense, such permanent easement, temporary easements, rights-of-way, or sites as reasonably needed for the timely and efficient development of the Property, subject to conditions acceptable to the City.

This section is not intended by the parties to impose upon the Landowner an enforceable duty to acquire land or construct any public improvements on land not owned by Landowner, except to the extent that the Landowner elects to proceed with the development of the Property.

ARTICLE 5

DEFAULT, REMEDIES, TERMINATION

5.1 General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either party to perform any term or provisions of this Restated Agreement shall constitute a default. In the event of alleged default or breach of any term or condition of this Restated Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) calendar days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty-day period, the other party to this Restated Agreement at its option may institute legal proceedings pursuant to this Restated Agreement or give notice of intent to terminate this Restated Agreement pursuant to California Government Code Section 65868 and regulations of City implementing said Government Code Section. Following notice of intent to terminate, the matter shall be scheduled for consideration and review by the City Council within thirty (30) calendar days in the manner set forth in Government Code Sections 65865, 65867 and 65868 and City regulations implementing such Sections.

Following consideration of the evidence presented in said review before the City Council, either party alleging the default by the other party may give written notice of termination of this Restated Agreement to the other party.

Evidence of default may also arise in the course of a regularly scheduled periodic review of this Restated Agreement pursuant to Government Code Section 65865.1. If either party determines that the other party is in default following the completion of the normally scheduled periodic review, said party may give written notice of default of this Restated Agreement as set forth in this section, specifying in said notice the alleged nature of the default, and potential actions to cure said default and shall specify a reasonable period of time in which such default is to be cured. If the alleged default is not cured within thirty (30) calendar days or within such longer period specified in the notice, or if the defaulting party waives its right to cure such alleged default, the other party may terminate this Restated Agreement.

Notwithstanding the above, a default by an individual or entity within the definition of Landowner shall not constitute a default by other individuals or entities within definition of Landowner.

5.2 Annual Review. City shall, at least every twelve (12) months during the Term of this Restated Agreement, review the extent of good faith substantial compliance by Landowner with the terms of this Restated Agreement. Such periodic review shall be limited in scope to compliance with the terms of this Restated Agreement pursuant to Section 65865.1 of the Government Code and the monitoring of mitigation in accordance with Section 21081.6 of the Public Resources Code of the State of California. Notice of such annual review shall include the statement that any review of obligations of Landowner as set forth in this Restated Agreement may result in termination of this Restated Agreement with respect to Landowner's Property. A finding by City of good faith compliance by Landowner with the terms of this Restated Agreement shall be conclusive with respect to the performance of Landowner during the period preceding the review. Each Landowner shall be responsible for the cost reasonably and directly incurred by the City to conduct such annual review of such Landowner's compliance, the payment of which shall be due within thirty (30) calendar days after conclusion of the review and receipt from the City of the bill for such costs.

In the event that a twelve month review is not completed, is not completed in a timely manner or inadvertently a finding of good faith compliance is not made, such shall not constitute a waiver of the City's right to review and make any necessary determinations that would be made if the review had been conducted and shall not be construed that Landowner is otherwise in full compliance.

Upon not less than thirty (30) calendar days written notice by the City, Landowner shall provide such information as may be reasonably requested and deemed to be required by the Planning director in order to ascertain compliance with this Restated Agreement.

Upon written request by the Landowner(s) the City shall deposit in the mail to the requesting Landowner(s) a copy of all staff reports and related exhibits concerning contract performance and, to the extent practical, at least ten (10) calendar days prior to any such periodic review. If the City has not performed an annual review, Landowner(s) may request, in writing, that it be performed

5.2.1 Permitted Delay, Extension of Times of Performance. In addition to specific provisions of this Restated Agreement, performance by either party hereunder shall not be deemed to be in default where delays or default are due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, and terrorist acts, new or supplementary environmental regulation, changes due to state or federal laws as described in Section 2.2.6 hereof, litigation, or similar bases for excused performance. If written notice of such delay is given to City within thirty (30) calendar days of the commencement of such delay, a reasonable extension of time for such cause shall be granted in writing for the period of such delay, or longer as may be mutually agreed upon. Nothing in this section is intended to apply to an extension of the term of this Restated Agreement, which requires City Council approval.

5.2.2 Permitted Extensions by City. In addition to any extensions to the time for performance of any obligation due to a delay under Section 5.2.1 above, the

City, in its sole discretion (acting through the City Manager or designee) may extend the time for performance by any Landowner of any obligation hereunder. Any such extension shall not require an amendment to this Restated Agreement, so long as such extension only involves the time for performance thereof and does not change the obligations to be performed by such Landowner as a condition of such extension. Nothing in this section is intended to apply to an extension of the term of this Restated Agreement, which requires City Council approval.

5.3 Legal Action; No Obligation to Develop; Specific Enforcement. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation. Venue for all legal actions shall be in the Superior Court of the County of Sacramento, State of California. Notwithstanding anything in this Restated Agreement to the contrary, the parties acknowledge that the City would not have entered into this Restated Agreement had it been exposed to liability for damages from Landowner, and that therefore each Landowner hereby waives all claims for damages against the City and its officers, agents and employees for breach of this Restated Agreement. The parties further acknowledge that damages are not a remedy under this Restated Agreement and therefore Landowner waives all claims for damages against the City and its officers, agents and employees in the event that this Restated Agreement or any other Entitlement is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions or deletions to which Landowner is opposed. Either Party may, without any claim for damages of any kind, in addition to any other rights or remedies, institute an action to cure, correct or remedy any default, enforce any covenant or agreement in this Restated Agreement, enjoin or restrain any threatened or attempted violation of this Restated Agreement or enforce by specific performance the obligations and rights of the parties to this Restated Agreement, or to obtain any other remedy. Landowner further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that under law, the City Council's discretion to vote in any particular way may not be constrained by contract, except as permitted in the Development Agreement Statute. Landowner further acknowledges that as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and each Landowner waives all claims for damages against the City and its officers, agents and employees in this regard.

By entering into this Restated Agreement, Landowner shall not be obligated to Develop the Property and Landowner shall not be obligated to install or pay for the costs to install any improvements or facilities except as otherwise provided herein. Nothing in this section shall be construed to excuse Landowner from making lawfully approved CFD tax payments.

5.4 Automatic Termination Upon Completion and Sale of Residential Unit. This Restated Agreement shall automatically be terminated, without any further action by

either party or need to record any additional document, with respect to any single-family residential lot within a parcel designated by the Specific Plan for residential use, upon completion of construction and issuance by the City of a final inspection for a dwelling unit upon such residential lot and conveyance of such improved residential lot by Landowner to a bona-fide good faith purchaser thereof. In connection with its issuance of a final inspection for such improved lot, City shall confirm that: (i) all improvements which are required to serve the lot, as determined by City, have been completed and formally accepted by City in writing; and (ii) all other conditions of approval applicable to said lot have been complied with to the City's satisfaction as evidenced by the City's issuance of a certificate of occupancy or final inspection permitting occupancy of the improved lot. Termination of this Restated Agreement for any such residential lot as provided for in this Section 5.4 shall not in any way be construed to terminate or modify any CFD tax lien or other such lien, assessment, fee or charge affecting such lot at the time of termination.

5.5 Termination Upon Landowner Request. This Restated Agreement may also be terminated, at the election of the then Landowner, with respect to any legally subdivided parcel designated by the Specific Plan for residential or non-residential use (other than parcels designated for public use), when recording a final map for such parcel, or receiving a certificate of occupancy or final inspection, whichever is applicable, for a multi-family residential or non-residential building within such parcel, by giving written notice to City of its election to terminate this Restated Agreement for such parcel, provided that: (i) all improvements which are required to serve the parcel, as determined by City, have been completed and formally accepted by City in writing; and (ii) all other conditions of approval applicable to said parcel have been complied with to the City's satisfaction as evidenced by the City's issuance of a certificate of occupancy or final inspection permitting occupancy of the improved parcel. Landowner shall cause any written notice of termination approved pursuant to this subsection to be recorded with the Sacramento County Recorder against the applicable parcel at Landowner's expense. Termination of this Restated Agreement for any such parcel as provided for in this section shall not in any way be construed to terminate or modify any CFD tax lien or other such lien, assessment, fee or charge affecting such parcel at the time of termination.

5.6 Effect of Termination. If this Restated Agreement is terminated, in whole or part, following any event of default of any Landowner or for any other reason, such termination shall not affect the validity of this Restated Agreement with respect to any other Landowner's Property or any of the Entitlements, other than this Restated Agreement, for the defaulting Landowner's Property, nor shall such termination affect any building or improvement within the defaulting Landowner's Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the City. Furthermore, no termination of this Restated Agreement with respect to a defaulting Landowner's Property shall prevent such Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the City that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination and receives a certificate of occupancy or certificate of completion from

the City. Termination of this Restated Agreement by either shall not in any way be construed to terminate or modify any CFD tax lien or other such lien, assessment, fee or charge affecting such parcel at the time of termination or terminate any outstanding obligations of Landowner owed to the City (whether a one-time obligation or continuing obligations) pursuant to this Restated Agreement or any Entitlements.

5.7 No Protest or Challenge To Fees. Landowner hereby waives any and all rights to challenge or protest the imposition or payment of, and agrees to pay, and not to protest or challenge, or pay under protest, any fees contained or articulated in the PFFP or this Restated Agreement, whether adopted at the time of execution of this Restated Agreement or later adopted, including any inflationary or cost of construction adjustment to such fees. Those fees subject to the Mitigation Fee Act shall be reviewed by the parties in good faith and nothing is intended to limit a Landowner's right as permitted by law to challenge or protest such mitigation fee based solely on any alleged failure to comply with the Mitigation Fee Act, as opposed to the City's right to impose the fee in general.

5.8 Applicable Law. This Restated Agreement shall be construed and enforced in accordance with the laws of the State of California.

ARTICLE 6

HOLD HARMLESS AND COOPERATION

6.1 Hold Harmless. Landowner and its successors-in-interest and assigns, hereby agrees to, and shall protect, defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents, and employees harmless from any costs, expenses, damages, liability for damages or claims of damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from the operations of Landowner, or of Landowner's contractors, subcontractors, agents, or employees under this Restated Agreement, whether such operations be by Landowner, or by any of Landowner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Landowner or Landowner's contractors or subcontractors, unless such damage or claim arises from the sole negligence or willful misconduct of City. The foregoing indemnity obligation of Landowner shall survive the termination or expiration of this Restated Agreement; however, notwithstanding any provision to the contrary, it shall not apply to any liability for damage or claims for damage with respect to any damage to or use of any public improvements after the completion and acceptance thereof by City.

In addition to the foregoing indemnity obligation, Landowner agrees to and shall protect, defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents and employees harmless from any and all lawsuits, claims, challenges, damages, expenses, costs, including attorneys' fees that may be awarded by a court, or in any actions at law or in equity arising out of or related to the processing, approval, execution, adoption or implementation of the Project, the Entitlements, the Tier 1 Development Agreement, the Public Facilities Financing Plan,

this Restated Agreement, or the environmental documentation and process associated with the same, exclusive of any such actions brought by Landowner, its successors-in-interest or assigns. The City shall retain the right to appear in and defend any such action or lawsuit on its own behalf regardless of any tender under this provision.

6.2 Cooperation and Defense in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Restated Agreement, the parties hereby agree to cooperate in defending said action. If any person or entity not a party to this Restated Agreement initiates an action at law or in equity to challenge the validity of any provision of this Restated Agreement or the Entitlements, the parties shall cooperate and appear in defending such action. Landowner shall bear its own costs of defense as a real party in interest in any such action, and Landowner shall pay the City for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding, provided that City reasonably cooperates with Landowner in the defense of such action. The City, in its sole discretion, and at the Landowner's expense may retain separate counsel and may defend, settle or compromise the action as it deems appropriate and in the best interests of the City. Prior to any settlement or other resolution of any matter covered by this paragraph, the City agrees that it will first consult with Landowner.

ARTICLE 7

GENERAL

7.1 Enforceability. The City agrees that unless this Restated Agreement is amended or canceled pursuant to the provisions of this Restated Agreement, this Restated Agreement shall be enforceable according to its terms by any party hereto notwithstanding any change hereafter in any applicable General Plan, Specific Plan, zoning ordinance, subdivision ordinance or building regulation adopted by City, or by initiative, which changes, alters or amends the rules, regulations and policies applicable to the rate, timing or sequencing and density and intensity of use or Development of the Property at the time of approval of this Restated Agreement, as provided by Government Code Section 65866.

7.2 City Finding. The City hereby finds and determines that execution of this Restated Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan and Specific Plan.

7.3 Third Party Beneficiaries. This Restated Agreement is made and entered into for the sole protection and benefit of Landowner and City and their successors and assigns. No other person shall have any right of action based upon any provision in this Restated Agreement.

7.4 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the subject project is a private development, and that the City has no interest therein except as authorized in the

exercise of its governmental functions. No partnership, joint venture or other association of any kind is formed by this Restated Agreement.

7.5 Notices. All notices required by this Restated Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

Community Development Director
City of Folsom
50 Natoma Street
Folsom, CA 95630

With a copy to:

City Manager
City of Folsom
50 Natoma Street
Folsom, CA 95630

City Attorney
City of Folsom
50 Natoma Street
Folsom, CA 95630

Notice required to be given to Landowner shall be addressed to the Landowner as follows: Aerojet Rocketdyne, Inc./Easton Development Company, LLC
c/o Easton Development Company, LLC
1180 Iron Point Road, Suite 350
Folsom, CA 95630
Attn: David Hatch

With a copy to:

Aerojet Rocketdyne, Inc./Easton Development Company, LLC
c/o Easton Development Company, LLC
1180 Iron Point Road, Suite 350
Folsom, CA 95630
Attn: Michael LaFortune

Any party or addressee may change the address stated herein by giving notice in writing to the other parties, and, thereafter, notices shall be addressed and delivered to the new address.

7.6 Severability. If any term, covenant or condition of this Restated Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Restated Agreement, or the

application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Restated Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Restated Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a party hereto of an essential benefit of its bargain hereunder, then such party so deprived shall have the option to terminate this entire Restated Agreement from and after such determination.

7.7 Construction. All parties have been represented by counsel in the preparation of this Restated Agreement and no presumption or rule that ambiguity shall be construed against a drafting party shall apply to interpretation or enforcement of this Restated Agreement. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.

7.8 Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Restated Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

7.9 Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (i) this Restated Agreement is in full force and effect and a binding obligation of the parties, (ii) this Restated Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Restated Agreement, or if in default, to describe therein the nature of such default. The party receiving a request hereunder shall execute and return such certificate within thirty (30) calendar days following the receipt thereof.

7.10 Mortgagee Protection. The parties hereto agree that this Restated Agreement shall not prevent or limit Landowner, in any manner, at Landowner's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property, except as limited by the provisions of this section. City acknowledges that the lenders providing such financing may require certain agreement interpretations and modifications and agrees upon request, from time to time, to meet with Landowner and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. City will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Restated Agreement. Any Mortgagee shall be entitled to the following rights and privileges:

(a) Neither entering into this Restated Agreement nor a breach of this Restated Agreement shall defeat, render invalid, diminish or impair the lien of any

mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee has submitted a request in writing to City in the manner specified herein for giving notices, may request to receive written notification from City of any default by Landowner in the performance of Landowner's obligations under this Restated Agreement.

(c) If City receives a timely request from a Mortgagee requesting a copy of any notice of default given to Landowner under the terms of this Restated Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) business days of sending the notice of default to Landowner. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed to Landowner under this Restated Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, by any means, whether pursuant to foreclosure of the mortgage deed of trust, or deed in lieu of such foreclosure or otherwise, shall take the Property, or part thereof, subject to the terms of this Restated Agreement, including payment of any outstanding fees or charges. Should such Mortgagee or successors or assigns of such Mortgagee choose to develop the Property, the development shall be subject to all of the terms and conditions of this Restated Agreement. Nothing in this Restated Agreement shall be deemed or construed to permit or authorize the Mortgagee or successors or assigns of such Mortgagee to devote the Property, or any portion thereof, to any uses or to construct any improvements thereon other than those uses and improvements provided for or authorized by this Restated Agreement.

7.11 Assignment. From and after recordation of this Restated Agreement against the Property, Landowner, or any individual person or entity, shall have the full right to assign this Restated Agreement, with prior notification to the City, as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by a Landowner and assumption by the assignee of such assignment in the form attached hereto as **Exhibit 7.11**, and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. No assignment shall be permitted and any attempt to assign shall be voidable by the City if the assigning Landowner has any outstanding payment or performance obligations to the City under this Restated Agreement or the PFFP as implemented by the City until such delinquency is satisfied or the parties enter into a payment or performance agreement in a form approved by the City Attorney.

7.12 Entire Agreement. This Restated Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Restated Agreement, inclusive of its Recitals and Exhibits, constitutes the entire understanding

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California }
County of Sacramento }

On July 7, 2014, before me, C.L. Glass, Notary Public, personally appeared
Kerri M. Howell

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

SIGNATURE Cf Glass

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: First Amended and Restated Tier 1 Development Agreement

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____


IN WITNESS WHEREOF, the parties below have caused this Amended and Restated Tier 1 Development Agreement to be duly executed:

LANDOWNER:

APN(s): 072-0060-073, -074 & -075

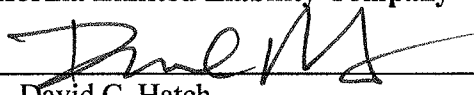
**AEROJET ROCKETDYNE, INC.,
an Ohio Corporation**

By: Easton Development Company, LLC,
a California Limited Liability Company
Its Manager

By: 
David C. Hatch
Vice President and
Chief Operating Officer

APN(s): 072-0231-048

**EASTON DEVELOPMENT COMPANY, LLC
a California Limited Liability Company**

By: 
David C. Hatch
Vice President and
Chief Operating Officer

This Amended and Restated Tier 1 Development Agreement must be duly Notarized.

ALL-PURPOSE ACKNOWLEDGMENT

State of California)
 County of Sacramento)
 On June 26, 2014 before me, Christina M. Groen Notary Public
Date Here Insert Name and Title of Officer
 Personally appeared David C Hatch
Name(s) of Signer(s)



Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Christina M. Groen
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

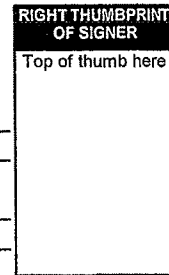
Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Individual
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Attorney-in-Fact
 Trustee
 Guardian or Conservator
 Other: _____



Signer is Representing: _____

Signer's Name: _____
 Individual
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Attorney-in-Fact
 Trustee
 Guardian or Conservator
 Other: _____



Signer is Representing: _____

LIST OF EXHIBITS

Exhibit A-1	Legal Description of Property
Exhibit A-2	Map of Property
Exhibit B	Map of Specific Plan Land Use Plan
Exhibit 2.2.1	List of PFFP Facilities
Exhibit 2.2.3.2	Map of Aerojet/Easton Property, Including Map of Community Park West and Alternate Site
Exhibit 2.2.4	Existing and New Plan Area Fees Summary Sheet
Exhibit 2.5.5	Form of Mather Avigation Easement
Exhibit 3.8	Map of Backbone Lands
Exhibit 4.2.1	List of Advancing Owners and Reimbursing Owners for Advance Planning Costs
Exhibit 4.3	Map of Constructing Owner's Property
Exhibit 7.11	Form of Assignment of Development Agreement

EXHIBIT A-1
AEROJET ROCKETDYNE, INC. PARCELS &
EASTON DEVELOPMENT COMPANY, LLC, PARCEL

All that certain real property situated in the City of Folsom, County of Sacramento, State of California and being more particularly described as follows:

Easton Development Company, LLC Parcel:

Being Resultant Parcel 1B as shown on that certain "Lot Line Adjustment", "Resolution No. 14-BLS-00006" recorded March 28, 2014, in Book 20140328 of Official Records, at Page 0846.

Aerojet Rocketdyne, Inc. Parcels

All that real property described as Exhibit "A" in Book 20031015 at Page 3813 Official Records being more particularly described as follows:

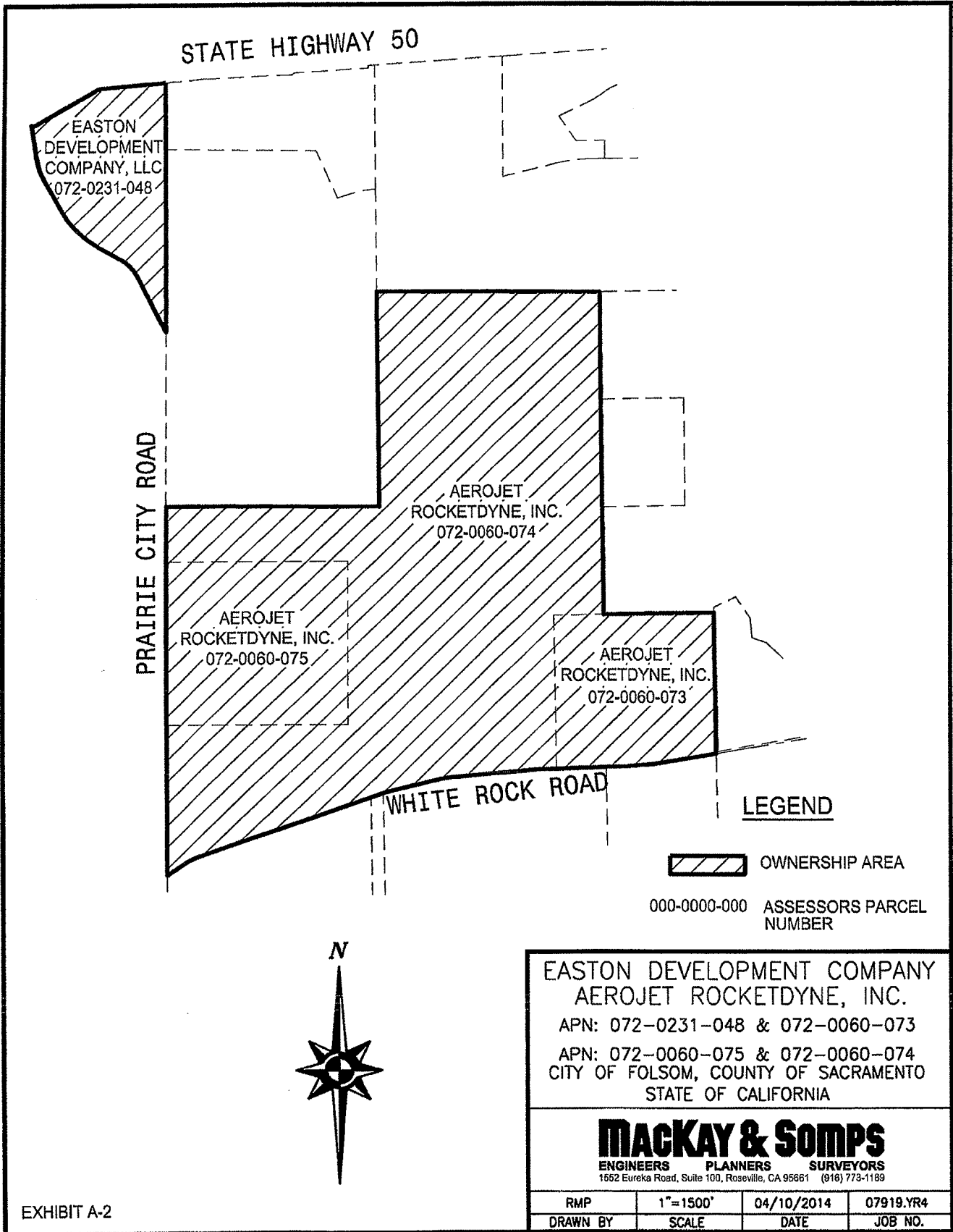
All that portion of land located in the West 1/2 of Section 20, and a portion of the East 1/2 of section 19, Township 9 North, Range 9 East, described as follows:

Beginning at the Northwest Corner of the Southwest 1/4, of the Northwest 1/4 of Section 20, Township 9 North, Range 9 East, M.D.B. & M.; thence along the North line of the SW 1/4, of the NW 1/4, of Section 20, North 89°05'19" East 1319.51 feet to the Northeast Corner of the SW 1/4 of the NW 1/4 of Section 20; thence along the East line of the West 1/2 of the West 1/2 of Section 20, South 00°49'36" East 1723.56 feet to a point on the centerline of White Rock Road; thence along the centerline of White Rock Road South 80°28'18" West 751.93 feet; thence along a curve to the right having a radius of 2300.00 feet, subtended by a chord bearing South 84°23'33" West 314.54 feet; thence South 88°18'48" West 846.67 feet; thence leaving the centerline of White Rock Road, North 00°49'36" West 1873.43 feet; thence North 89°05'19" East 583.78 feet to the point of beginning.

Being Resultant Parcel 6 as shown on that certain "Lot Line Adjustment" "Resolution No. 14-BLS-00006 recorded March 28, 2014, in Book 20140328 of Official Records, at Page 0846.

Excepting therefrom all that portion of the above described Parcel lying south of the centerline of White Rock Road as it presently exists.

APNs 072-0231-048, 072-0060-075, 072-0060-074, 072-0060-073



STATE HIGHWAY 50

EASTON
DEVELOPMENT
COMPANY, LLC
072-0231-048

PRAIRIE CITY ROAD

AEROJET
ROCKETDYNE, INC.
072-0060-074

AEROJET
ROCKETDYNE, INC.
072-0060-075

AEROJET
ROCKETDYNE, INC.
072-0060-073

WHITE ROCK ROAD

LEGEND



OWNERSHIP AREA

000-0000-000 ASSESSORS PARCEL NUMBER



EASTON DEVELOPMENT COMPANY
AEROJET ROCKETDYNE, INC.

APN: 072-0231-048 & 072-0060-073

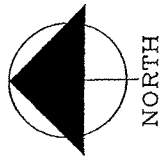
APN: 072-0060-075 & 072-0060-074
CITY OF FOLSOM, COUNTY OF SACRAMENTO
STATE OF CALIFORNIA

MACKAY & SOMPS

ENGINEERS PLANNERS SURVEYORS
1652 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

EXHIBIT A-2

RMP	1"=1500'	04/10/2014	07919.YR4
DRAWN BY	SCALE	DATE	JOB NO.



LEGEND
Land Use

- SF Single Family: 1-4 du/ac
- SFHD Single Family High Density: 4-7 du/ac
- MLD Multi-Family Low Density: 7-12 du/ac
- MMD Multi-Family Medium Density: 12-20 du/ac
- MHD Multi-Family High Density: 20-30 du/ac
- MU Mixed Use: 9-30 du/ac
- IND/OP Industrial/Office Park
- CC Community Commercial
- GC General Commercial
- RC Regional Commercial
- Public Parcels
- P Parks (Community/Neighborhood Parks)
- OS Open Space
- PQP Public/Quasi-Public
- Firestation (conceptual location)
- Police Station (conceptual location)
- Municipal Services Center and Library (conceptual location)
- Detention Basins

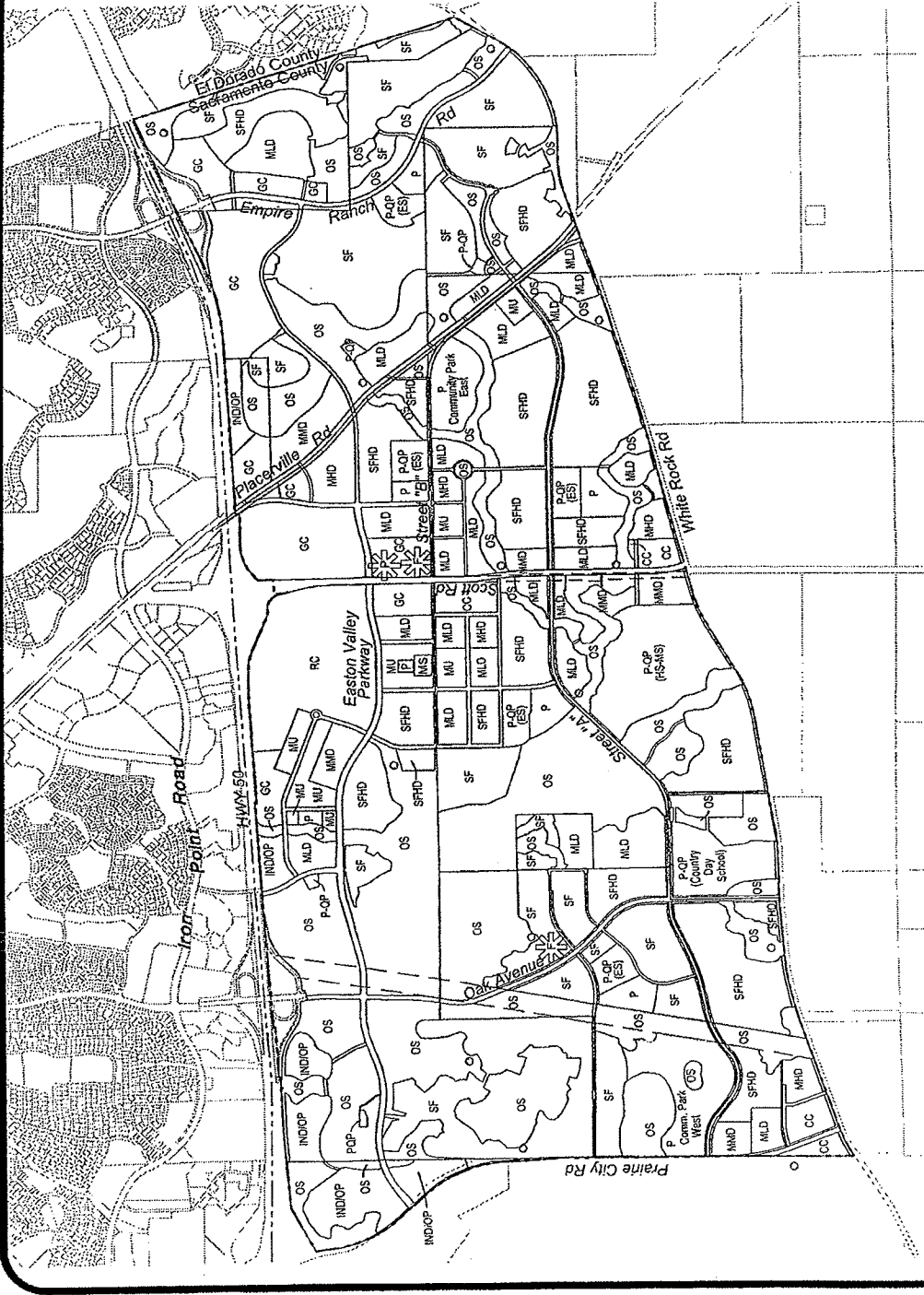


EXHIBIT B

Folsom Plan Area Specific Plan
Approved Land Use Plan - 6/27/2011
City of Folsom, California

MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1531 Eurosta Road, Suite 100, Roseville, CA 95685 (916) 923-2892

Exhibit 2.2.1

PFFP Facilities to be Constructed in and/or Financed by the FPASP Area

Backbone Infrastructure:

- Roadway Improvements, as described in Appendix B of the PFFP
- On-Site Water System Improvements, as described in Appendix C of the PFFP
- Off-Site Water System Improvements, as described in Appendix D of the PFFP
- Recycled Water System Improvements, as described in Appendix E of the PFFP
- Sanitary Sewer System Improvements, as described in Appendix F of the PFFP
- Storm Drainage System Improvements, as described in Appendix G of the PFFP
- Habitat Mitigation, as described in the Executive Summary, Page ES-9, and in Appendix H of the PFFP
- Interchanges, as described in Appendix N of the PFFP

Other Public Facilities

- Fire Facilities and Equipment, as described in Appendix I of the PFFP
- Police Facilities and Equipment, as described in Appendix I of the PFFP
- Municipal Services Center, as described in Appendix I of the PFFP
- Branch Library, as described in Appendix I of the PFFP
- Corporation Yard, as described in Appendix J of the PFFP
- Transit System, as described in Appendix K of the PFFP
- Parks, as described in Appendix L of the PFFP
- Trails, as described in Appendix M of the PFFP
- Aquatic and Community Center, as described in Appendix O of the PFFP
- Solid Waste Facilities, as described in the Executive Summary, Pages ES-18 to ES-19, of the PFFP
- General Capital Facilities, as described in Chapter 4, Page 19, of the PFFP

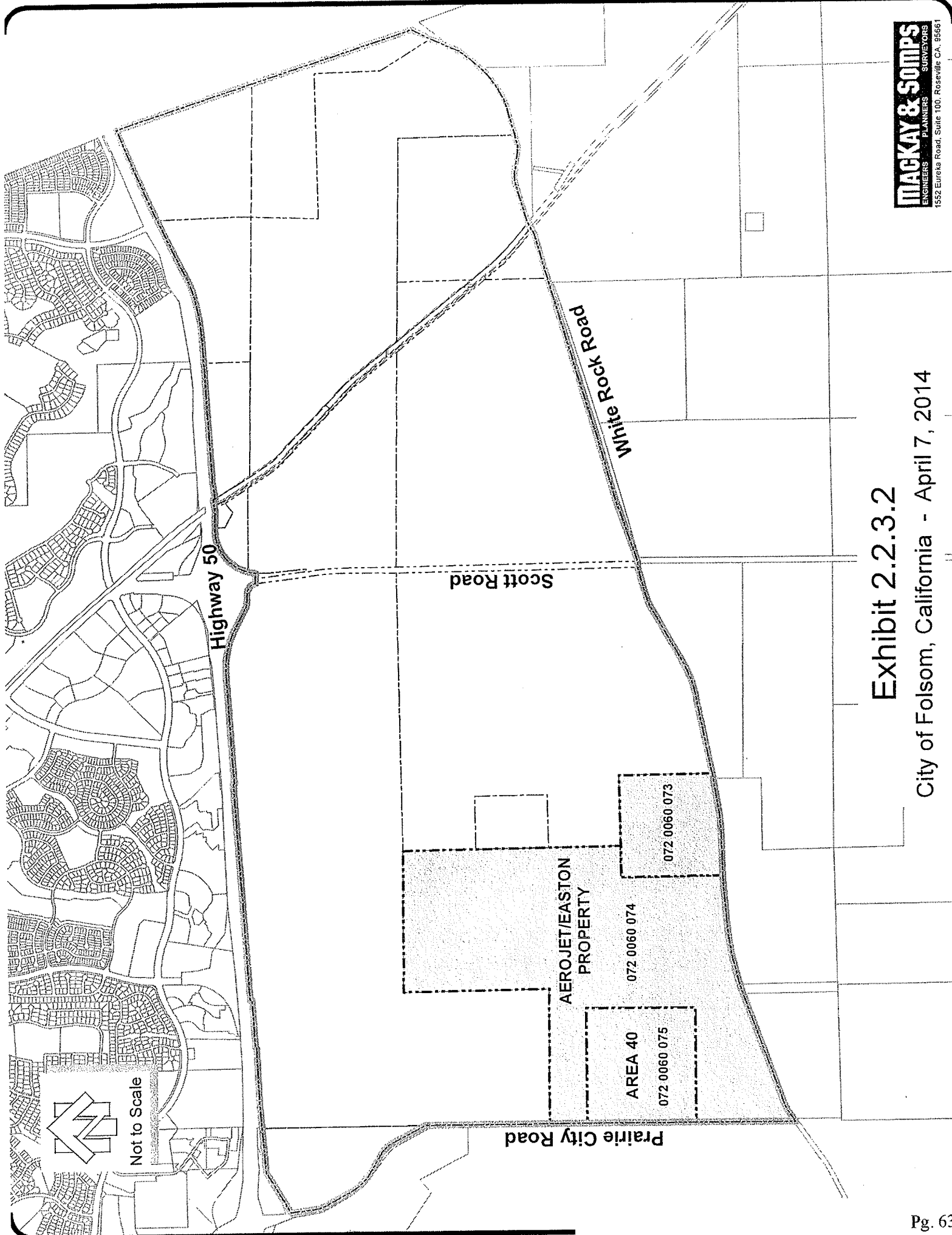


Exhibit 2.2.3.2
 City of Folsom, California - April 7, 2014

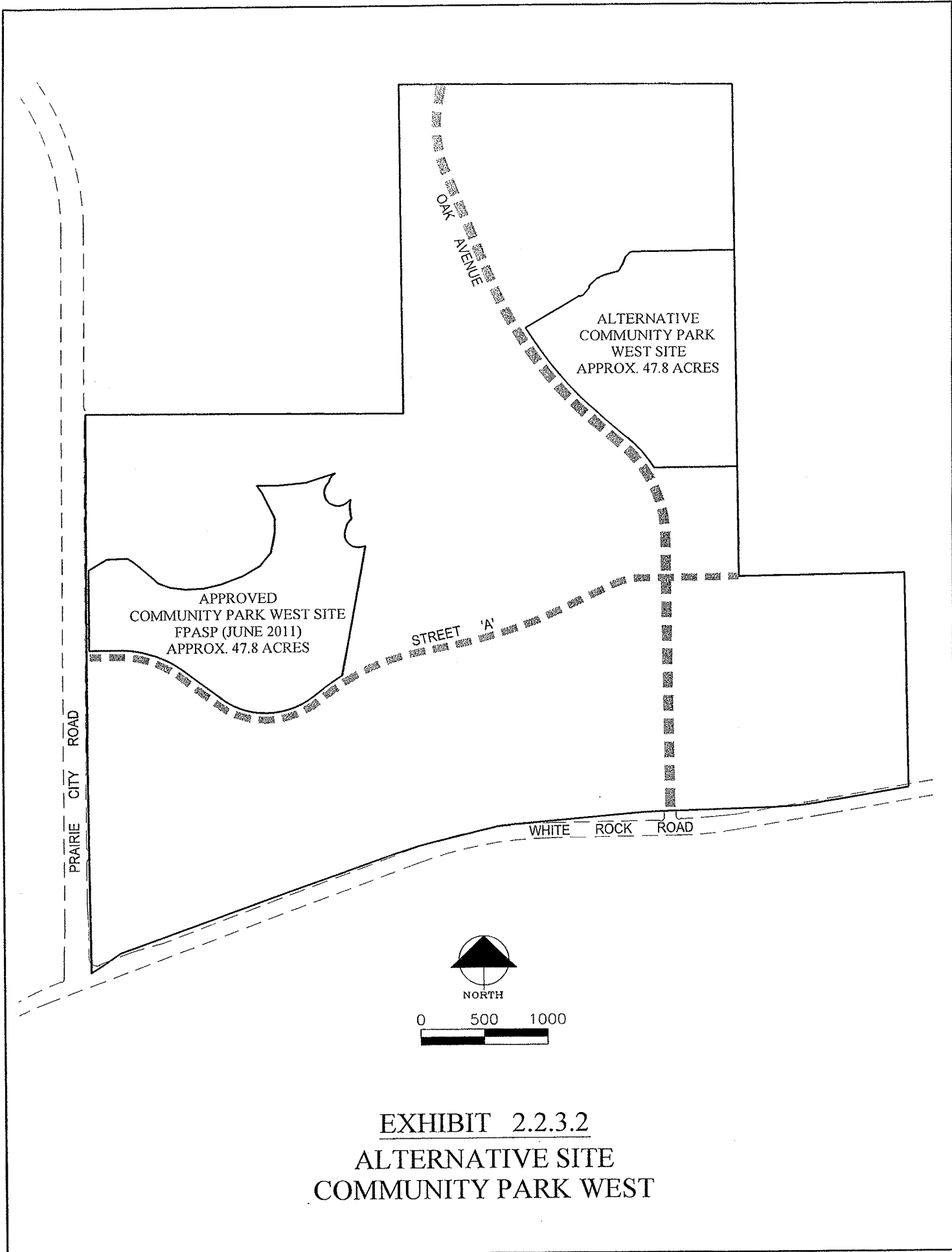


EXHIBIT 2.2.3.2
ALTERNATIVE SITE
COMMUNITY PARK WEST

Exhibit 2.2.4
Existing and New Plan Area Fees

Existing City Fees [1]

- Transportation Management Fee
- Solid Waste Capital Improvement Fee
- Capital Improvement Fee – Park Equipment
- Housing Trust Fund
- Water Buy-in and Connection Fee
- Water Usage Fee [2]

FPASP Plan Area Fees

New Plan Area Fees for City Facilities (Combined)

- General Capital Facilities
- Library
- Municipal Services Center
- Police Facilities
- Fire Facilities
- Parks
- Trails

New Stand-Alone Plan Area Fees

- Corporation Yard
- Transit
- Interchanges/HWY 50 Improvements

FPASP Specific Plan Infrastructure Fee (SPIF)

- On-Site Roadway
- Off-Site Roads within Folsom
- On-Site Water
- Off-Site Water
- Recycled Water
- Drainage
- Sewer
- Habitat Mitigation
- Administration

FPASP Planning and Land Fees

- Specific Plan Reimbursement
- Parkland Dedication (Quimby)

[1] This list of Existing City Fees is intended to reflect all City development impact or mitigation fees existing on the Effective Date of the Restated Agreement which are not being replaced by new FPASP Plan Area Fees; however, to the extent such fees are inadvertently omitted from this list, those fees existing at the time of the Effective Date of this Restated Agreement and not replaced by the new FPASP Plan Area Fees shall apply. This list does not address, and is not intended to limit, the City's existing or future permit application, development processing, inspection and plan check and other such related fees imposed by the City in conjunction with development applications.

[2] Fee for volumetric water usage during construction.

EXHIBIT 2.5.5

FORM OF MATHER AVIGATION EASEMENT

FOR THE BENEFIT OF THE CITY OF FOLSOM
PURSUANT TO GOVERNMENT CODE §6103

RECORDING REQUESTED BY CITY CLERK

WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF FOLSOM
50 NATOMA STREET
FOLSOM, CALIFORNIA 95630

GRANT OF AVIGATION EASEMENT

The Grant of Avigation Easement (herein collectively referred to as "Avigation Easement"), is made on _____, 2014, by and between _____, (herein referred to as "Grantor"), the County of Sacramento, a Political Subdivision of the State of California, acting by and through its Board of Supervisors and the City of Folsom, a municipal corporation, acting by and through its City Council (herein collectively referred to as "Grantees") with reference to the following facts:

A. Grantor owns real property in the City of Folsom, Sacramento County, California ("Grantor's Property"). The legal description for Grantor's Property is attached as Exhibit "A". Grantor's Property includes the air space above it.

B. The County of Sacramento owns and operates Sacramento Mather Airport in Sacramento County, California (the "Airport").

C. The Airport is a General Aviation airport for the region and also has various other aviation and related activity. Grantors and Grantees recognize and understand that the Airport will grow and traffic will increase over time.

D. Grantor has requested and received certain land use approvals including a Specific Plan (the "Folsom Specific Plan") and a Tier 1 Development Agreement. The land use approval requires Grantor to record an Avigation Easement on its property prior to or concurrently with the execution of its pending Amended and Restated Tier 1 Development Agreement (the "Restated Development Agreement") to address rights and obligations for future development of Grantor's Property. This Avigation Easement is a negotiated term of Grantor's Restated Development Agreement and the Tier 1 Development Agreement between the City of Folsom and all landowners in the Folsom Specific Plan.

E. Grantor has requested and in consideration for the land use approval, Grantor has agreed to grant the County of Sacramento and the City of Folsom the Avigation Easement described below.

NOW, THEREFORE, the parties agree as follows:

Section 1. Grant of Avigation Easement

A. For valuable consideration, Grantor grants to the County of Sacramento and the City of Folsom a perpetual, nonexclusive, assignable Avigation Easement in and over Grantor's Property for noise and other negative impacts resulting from aircraft flying to and from, and other operations at the Airport ("Airport Operations") and a right-of-way for the free and unrestricted passage of aircraft of any and all kinds now or hereafter known in, through, across and about the airspace beginning at an altitude of one thousand (1000) feet above the top of the highest obstacle on Grantor's Property (hereinafter "Permitted Airspace"). This Avigation Easement specifically permits the imposition of light, smoke, air currents, electronic or other emissions, vibrations, discomfort, inconvenience, and interference with use and enjoyment resulting from Airport Operations producing noise. This Avigation Easement is fully effective as of the date set forth above.

B. Such Avigation Easement and right-of-way includes, but is not limited to:

1. The Avigation Easement and right-of-way is for the use and benefit of the public and includes the continuing right to fly, or cause or permit the flight by any and all persons, of aircraft, of any and all kinds now or hereafter known, in, through, across or about any portion of the Permitted Airspace; and
2. The right to cause or create, permit or allow to be caused or created within all space above the existing surface of said Grantor's Property and any and all airspace laterally adjacent to said Grantor's Property, such noise, vibration, current and other effects of air, illumination and fuel consumption as may be inherent in, or may arise or occur from Airport Operations, or during the operation of aircraft of any and all kinds, now or hereafter known or used, for navigation of or flight in air within the Permitted Airspace; and
3. Nothing in this easement is intended to or shall it be interpreted to alter noise standards and methods of measurements or permit noise or vibration in excess of the standards utilized by the Federal Aviation Administration.
4. A continuing right to clear, and keep clear the Permitted Airspace and extending upwards thereafter (as necessary for air transportation or air operation purposes) of any portions of building, structures, or improvements of any and all kinds, and of trees or other objects, including the right to remove or demolish those portions of such buildings, structures, improvements, trees or other things

which extend into or above said Airspace and the right to cut to those portions of any trees which extend into or above the Airspace; and

5. The right to mark and light, or cause or require to be marked or lighted, as obstructions to air navigation, any and all buildings, structures or other improvements, and trees or other objects, which extend into or above the Permitted Airspace; and

6. The right to ingress to, passage within, and egress from the hereinabove described Grantor's Property for the purposes described in subparagraphs "4" and "5" above.

C. Grantor, on behalf of itself, its successors and assigns, hereby covenants with the County of Sacramento and the City of Folsom and for the direct benefit of the real property constituting Sacramento Mather Airport as follows:

1. That Grantor, its successors and assigns will not construct, install, permit or allow any building, structure, improvement, tree, or other object on the Grantor's Property described herein, to extend into or above the Permitted Airspace, or to obstruct or interfere with the use of the Avigation Easement and right-of-way herein granted.

2. Nothing in the Avigation Easement is intended to nor shall it affect Grantor's land use rights or require any additional land use review beyond that ordinarily required in the land use entitlement process.

D. The Avigation Easement and right-of-way granted herein shall be deemed both appurtenant to and for the direct benefit of that real property which constitutes the Sacramento Mather Airport, and shall further be deemed in gross, being conveyed to the Grantees for the benefit of the Grantees and any and all members of the general public who may use said Avigation Easement or right-of-way or derive benefit from the taking off from, landing upon or operating such aircraft in or about the said Sacramento Mather Airport, or in otherwise flying through said Permitted Airspace.

E. This Avigation Easement shall not operate to deprive the Grantor, its successors or assigns, of any rights, which it may from time to time have against any air carrier or private operator for negligent or unlawful operation of aircraft or any other rights, claims or causes of action that are not inconsistent with the Avigation Easement granted herein.

F. These covenants and agreement run with the land and are binding upon the heirs, administrators, executors, successors and assigns of the Grantor, and for the purpose of this instrument, the Grantor's Property as described in Exhibit "A" is the servient tenement and said Sacramento Mather Airport is the dominant tenement.

Section 2. Release

Grantor releases the City of Folsom, the County of Sacramento and Airport operators and aircraft operators using the Airport from any claims, losses, liabilities or expenses (collectively, "Losses") arising from the impositions permitted by this Avigation Easement, as well as from noise and other negative impacts resulting from Airport Operations prior to the date of this Avigation Easement. This Release covers all past, present and future Losses, whether known or unknown. This Release includes damages for physical or emotional injuries, nuisance or any taking of Grantor's Property. Grantor specifically waives application of California Civil Code, Section 1542, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Grantor shall not sue for damages in connection with Losses released by this Avigation Easement, nor seek to enjoin the impositions permitted by this Avigation Easement. The County of Sacramento will not have to set aside buffer lands, re-route air traffic, erect sound or other barriers, establish curfews, relocate Airport Operations or take other measures to eliminate or lessen the impositions permitted by this Avigation Easement. Flights paths may be altered or modified from time to time by the Federal Aviation Administration or the County of Sacramento to fly over Grantor's Property.

Section 3. Continuous Benefits and Burdens

This Avigation Easement burdens the Grantors' Property for the benefit of the Airport. It runs with the land under California Civil Code Section 1468. The benefits and burdens created by this instrument apply to and bind the parties' successors, heirs and assigns.

Grantor agrees that in any marketing material regarding transfers, in whole or in part, of the Grantor's Property, this Avigation Easement and the terms thereof shall be disclosed. In addition, Grantor agrees that it will inform all interested parties including, but not limited to, those holding liens or encumbrances on all or a portion of the Property, about this Avigation Easement and shall provide a copy of this Avigation Easement if they so request.

Section 4. Recordation

The County of Sacramento shall record this document in the Official Records of Sacramento County.

GRANTOR: _____

Dated: _____ By: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California }
County of Sacramento }

On _____, before me, _____, Notary Public,

Personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the forgoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of attached document

Title or type of document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: None

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed, the provisions of which are incorporated by this reference as though fully set forth in this Certification, to the County of Sacramento, a political subdivision of the State of California, is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution No. 2011-0011 of the Board of Supervisors of said County adopted on January 11, 2011, and the Grantee consents to recordation thereof by its duly authorized officer.

Director of General Services

Date

**CITY OF FOLSOM
CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in the real property conveyed by the within Deed, the provisions of which are incorporated by this reference as though fully set forth in this Certification, to the City of Folsom, a political subdivision of the State of California, is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution No. 2435 of the City Council of said City adopted on July 18, 1988, and the grantee consents to recordation thereof by its duly authorized officer.

Signature & Date: _____

Evert W. Palmer
City of Folsom
City Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California }
County of Sacramento

On _____, before me, _____, Notary

Public, personally appeared Evert W. Palmer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the forgoing paragraph is true and correct.

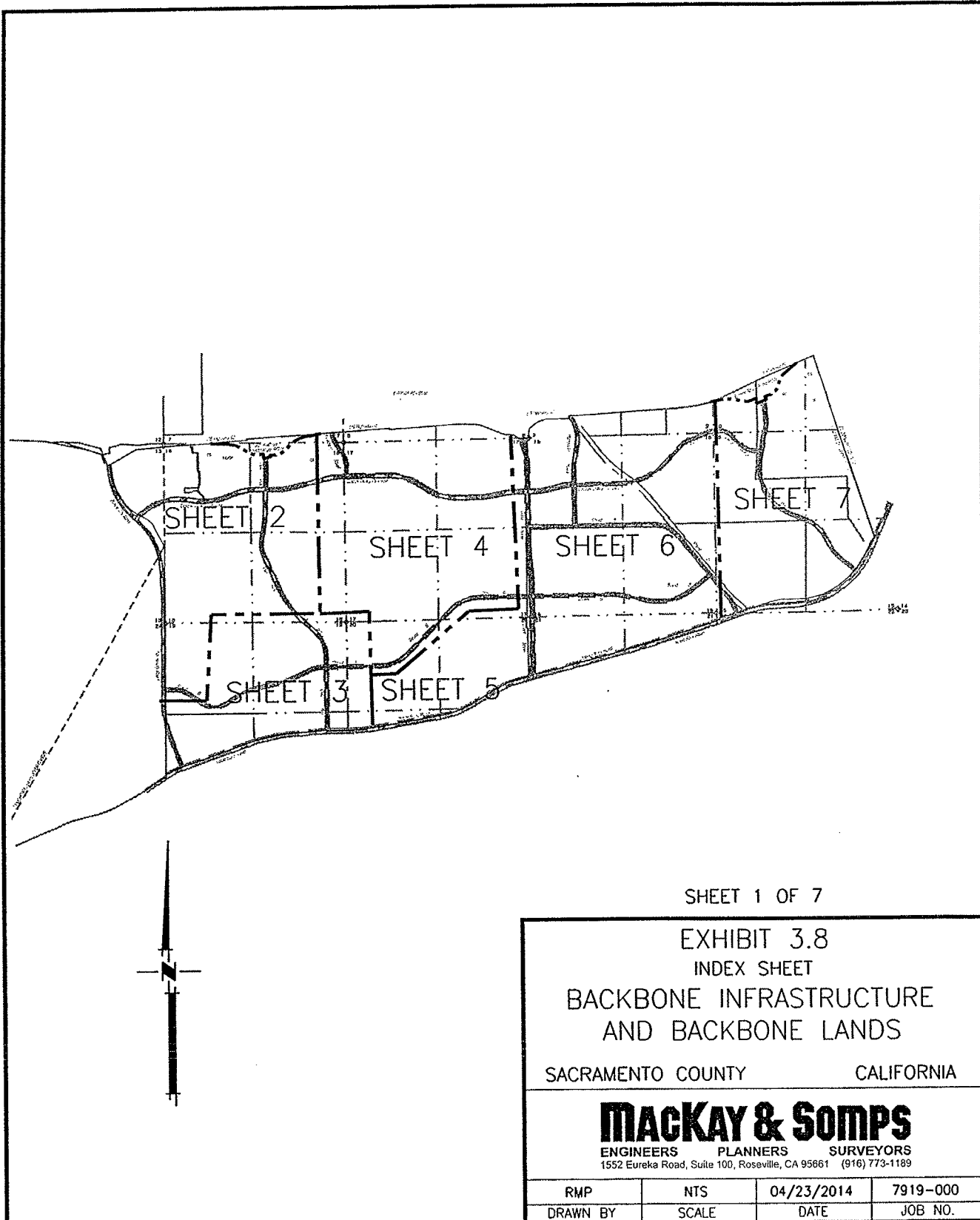
WITNESS my hand and official seal.

SIGNATURE _____

PLACE NOTARY SEAL ABOVE

EXHIBIT "A"

LEGAL DESCRIPTION



SHEET 1 OF 7

EXHIBIT 3.8
 INDEX SHEET
 BACKBONE INFRASTRUCTURE
 AND BACKBONE LANDS

SACRAMENTO COUNTY CALIFORNIA

MACKAY & SOMPS

ENGINEERS PLANNERS SURVEYORS
 1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	NTS	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplank P:\7919\survey-MS\mapping\exhibits\DA-2014\00 BASE.dwg
 [1] P:\7919\planning\exhibits\Cad Res\7919-Bosa.dwg

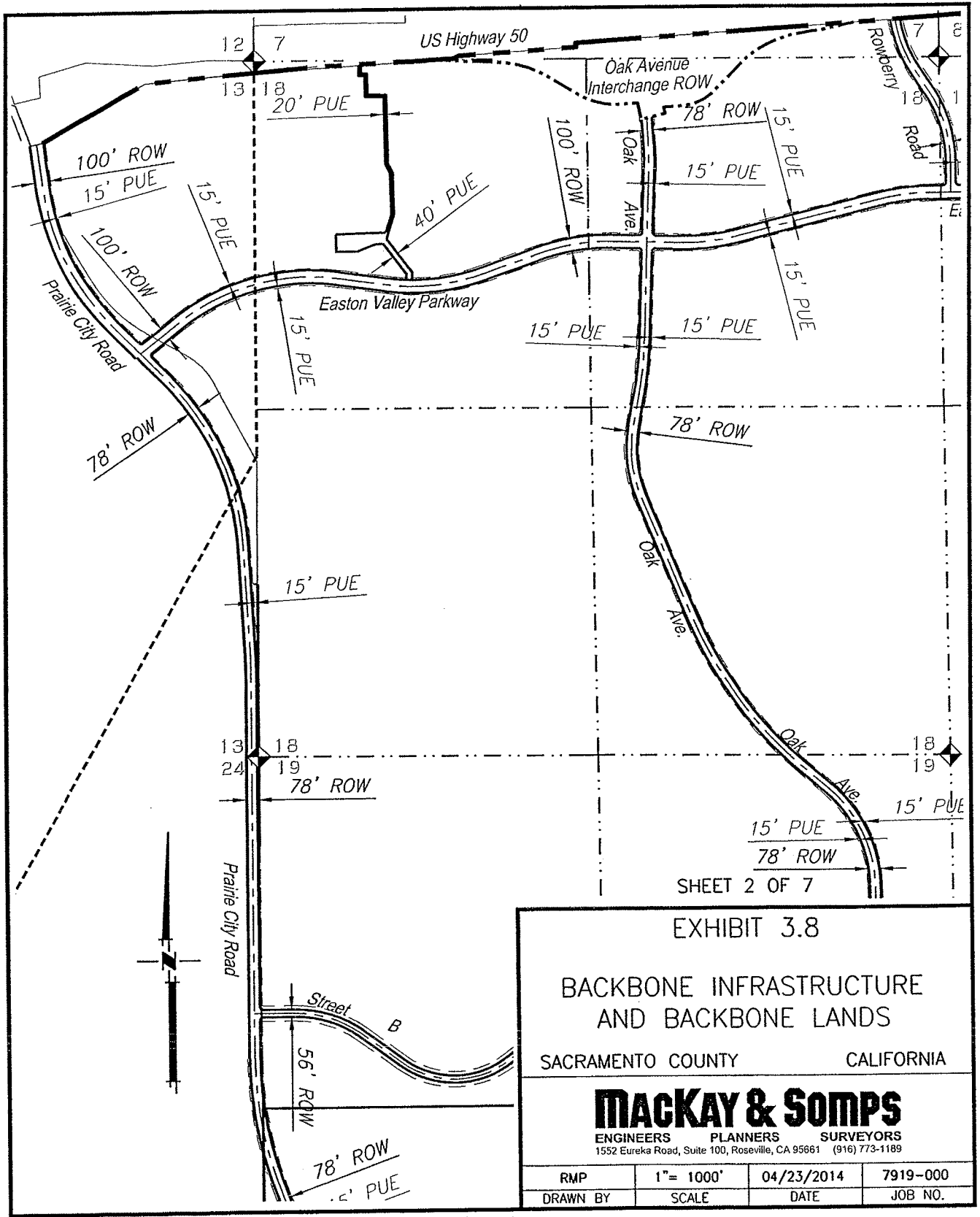


EXHIBIT 3.8

BACKBONE INFRASTRUCTURE
AND BACKBONE LANDS

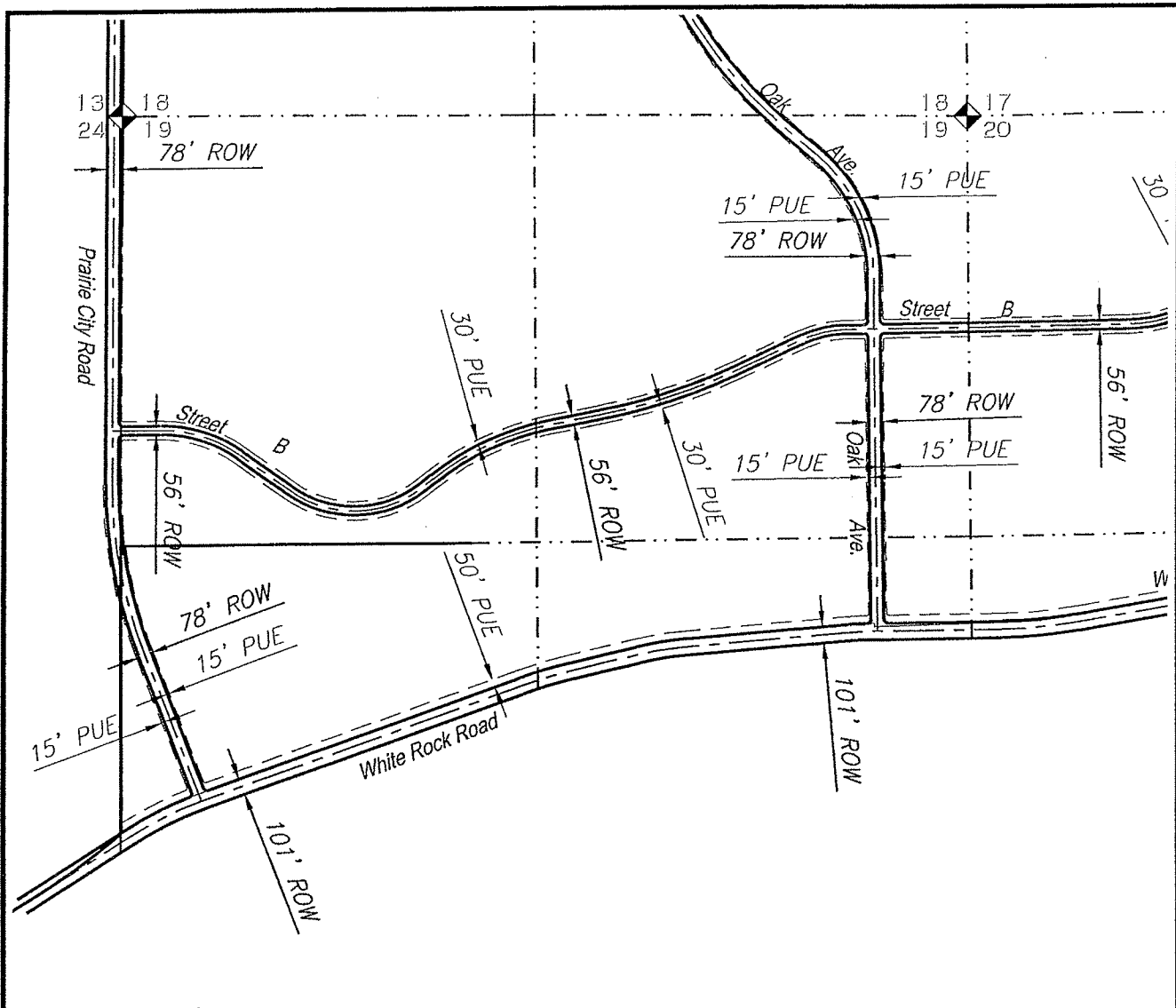
SACRAMENTO COUNTY CALIFORNIA

MACKAY & SOMPS

ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	1" = 1000'	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplnk P:\7919\survey-MS\mapping\exhibits\DA-2014\00 BASE.dwg
 [1] P:\7919\planning\exhibits\Cad files\7919-Bose.dwg



SHEET 3 OF 7

EXHIBIT 3.8

BACKBONE INFRASTRUCTURE
AND BACKBONE LANDS

SACRAMENTO COUNTY

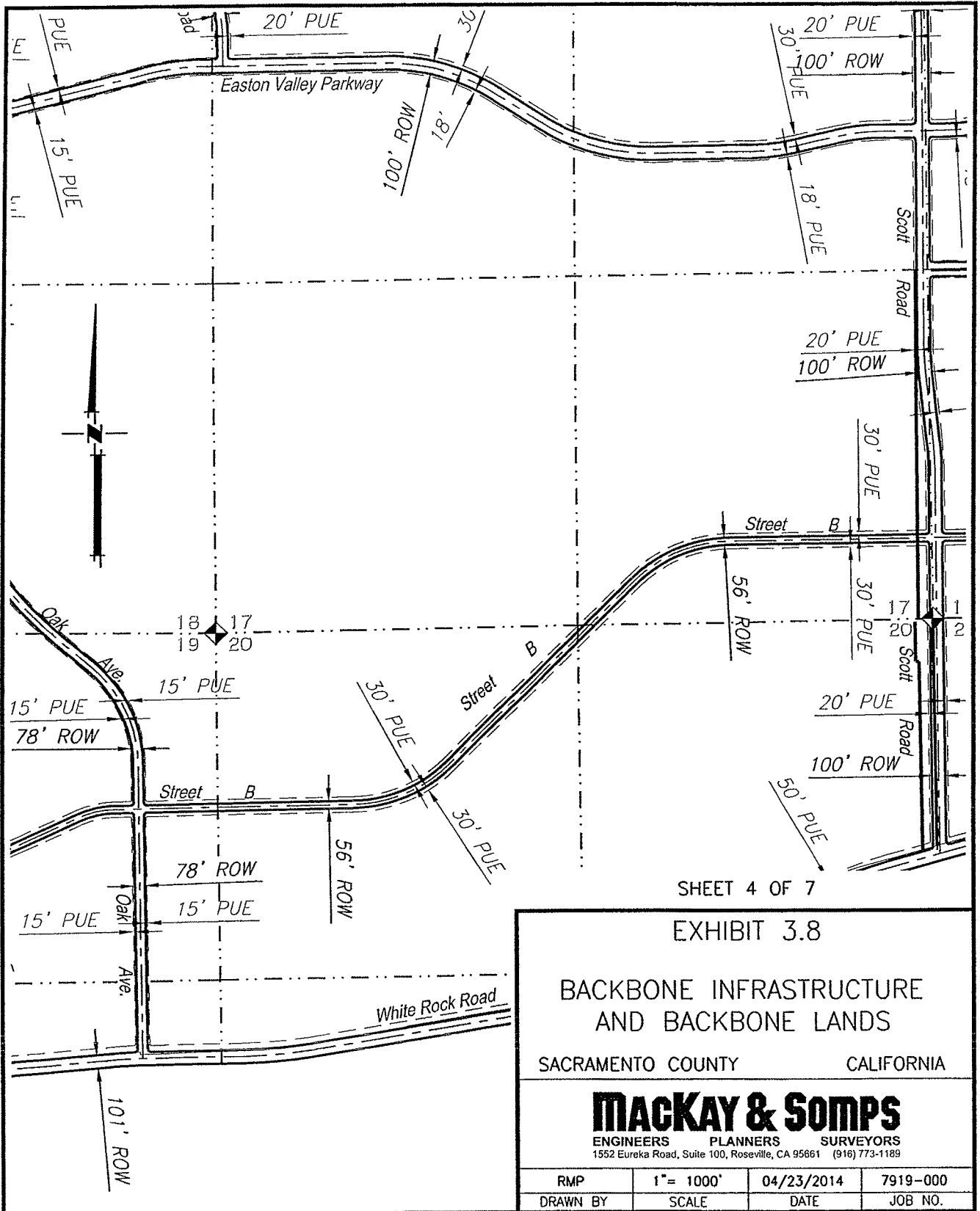
CALIFORNIA

MACKAY & SOMPS

ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	1" = 1000'	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplanck P:\7919\survey-MS\mapping\exhibits\DA-2014\OD BASE.dwg
[1] P:\7919\planning\exhibits\Cod files\7919-Base.dwg



SHEET 4 OF 7

EXHIBIT 3.8

**BACKBONE INFRASTRUCTURE
AND BACKBONE LANDS**

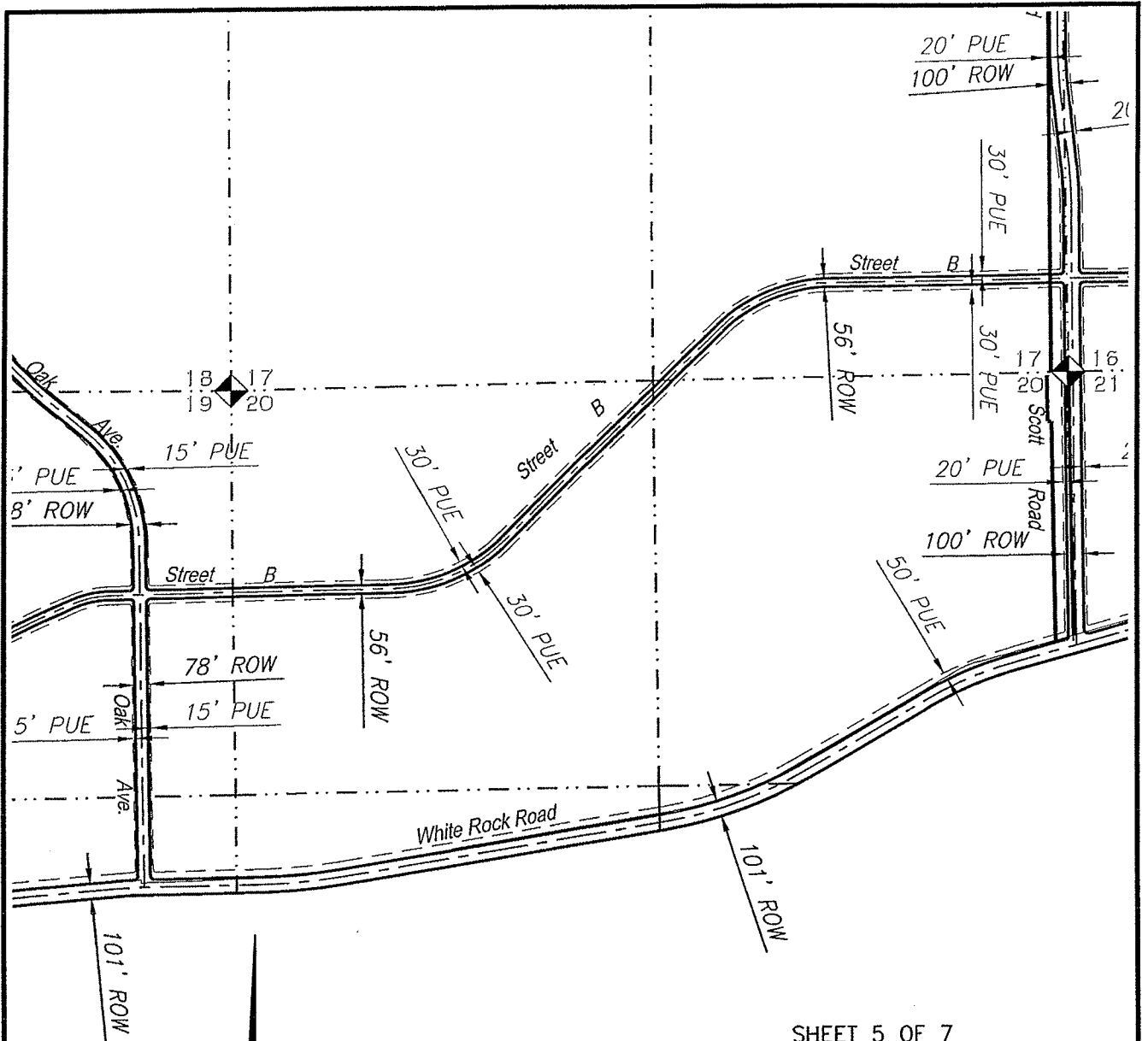
SACRAMENTO COUNTY CALIFORNIA

MACKAY & SOMPS

ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	1" = 1000'	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplank P:\7919\survey-M5\mapping\exhibits\DA-2014\100 BASE.dwg
 [I] P:\7919\planning\exhibits\Cod files\7919-Base.dwg



SHEET 5 OF 7

EXHIBIT 3.8

BACKBONE INFRASTRUCTURE
AND BACKBONE LANDS

SACRAMENTO COUNTY

CALIFORNIA

MACKAY & SOMPS

ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	1" = 1000'	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplank P:\7919\survey-MS\mapping\exhibits\DA-2014\100 BASE.dwg
[1] P:\7919\planning\exhibits\Cad files\7919-Base.dwg

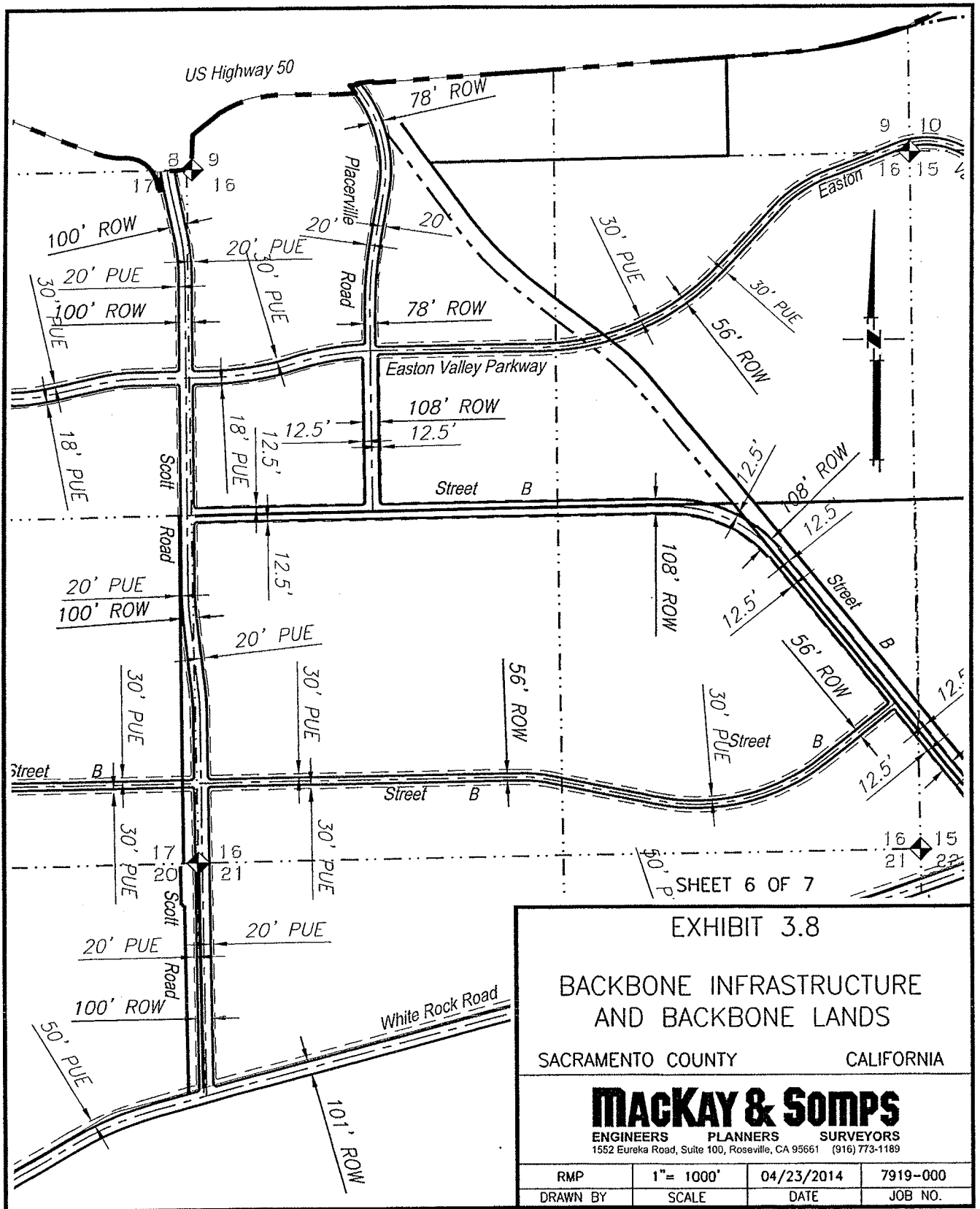


EXHIBIT 3.8

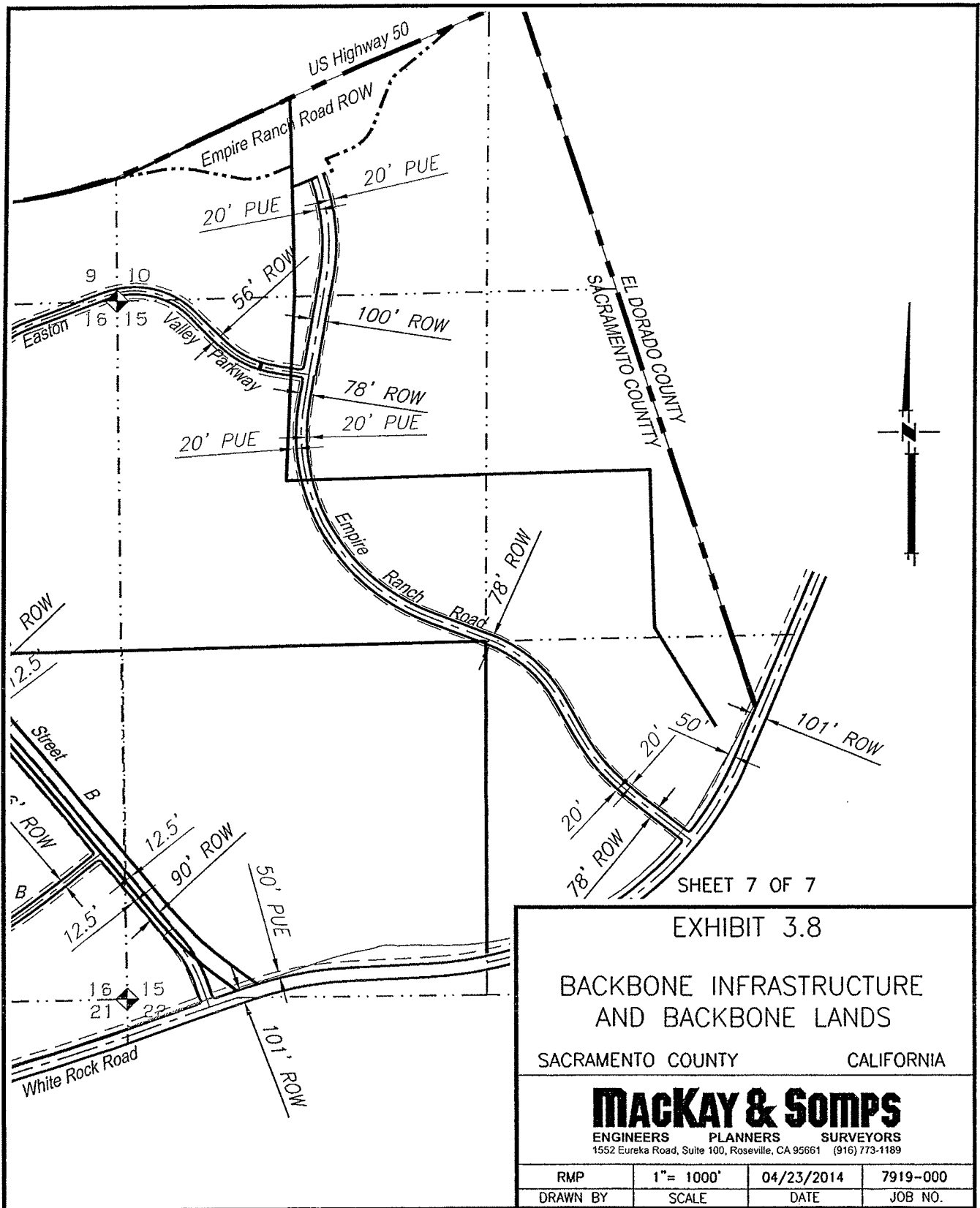
BACKBONE INFRASTRUCTURE
AND BACKBONE LANDS

SACRAMENTO COUNTY CALIFORNIA

MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	1" = 1000'	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplanck P:\7919\survey-MS\mapping\exhibits\DA-2014\100 BASE.dwg
 [1] P:\7919\planning\exhibits\Cad files\7919-Base.dwg



SHEET 7 OF 7

EXHIBIT 3.8

**BACKBONE INFRASTRUCTURE
AND BACKBONE LANDS**

SACRAMENTO COUNTY CALIFORNIA

MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS
1552 Eureka Road, Suite 100, Roseville, CA 95661 (916) 773-1189

RMP	1" = 1000'	04/23/2014	7919-000
DRAWN BY	SCALE	DATE	JOB NO.

5-07-2014 10:37:28 mplanck P:\7919\survey-MS\mapping\exhibits\DA-2014\100 BASE.dwg
 [1] P:\7919\planning\exhibits\Cad files\7919-Base.dwg

Exhibit 4.2.1

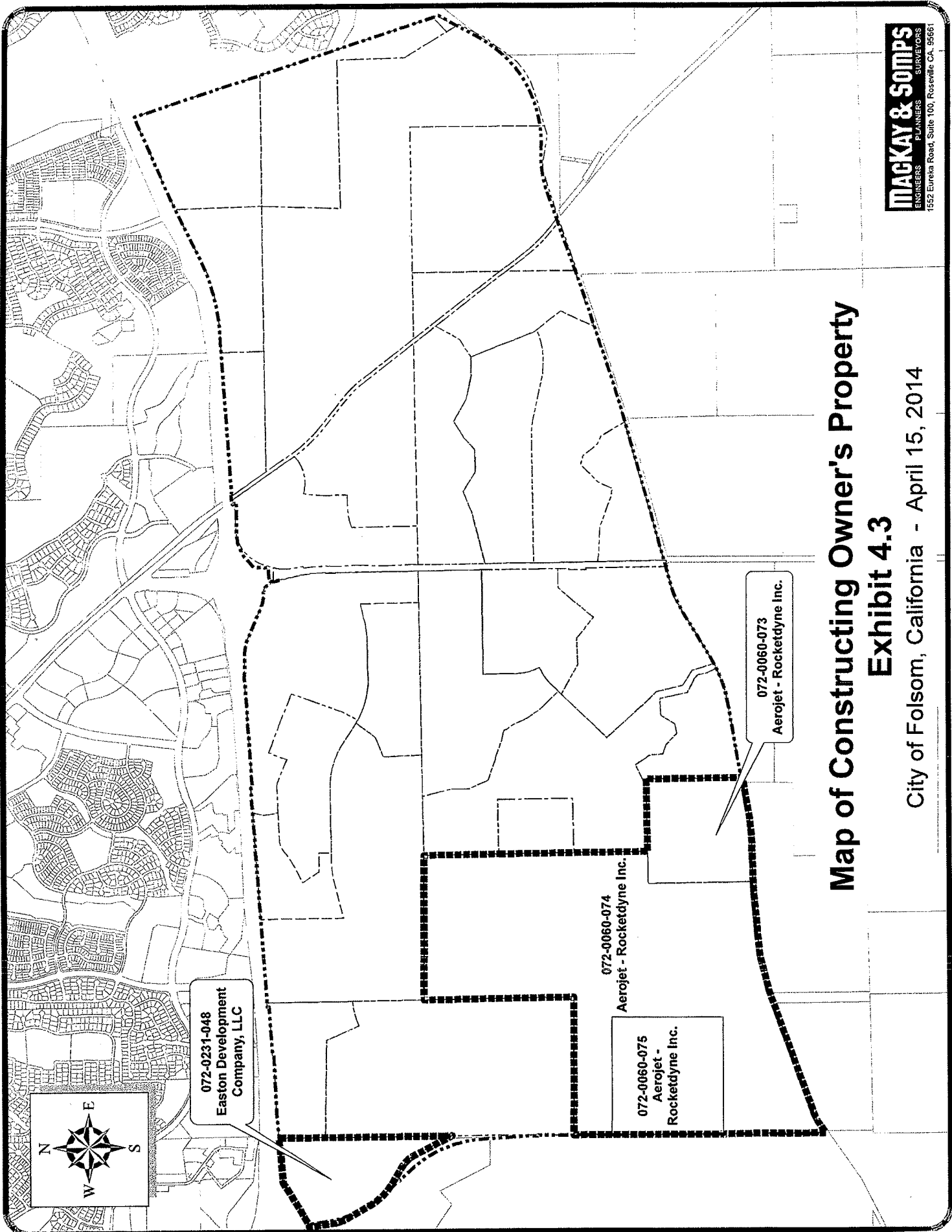
List of Advancing Owners and Reimbursing Owners for Advance Planning Cost

Advancing Owners:

Folsom Real Estate South, LLC APN(s): 072-0060-076, -077, -079, -080, -081, -082 & -084
White Rock Land Investors, LLC APN(s): 072-0060-085
Mangini North Holdings, LLC APN(s): 072-0060-083
West Scott Road, LLC APN(s): 072-0060-078
TNHC Russell Ranch, LLC APN(s): 072-0070-032 & 072-0270-138
Eagle Office Properties, LLC APN(s): 072-3190-002 & -006
Eagle Commercial Properties, LLC APN(s): 072-3190-001 & -008
Carpenter East, LLC APN(s): 072-3190-009
Easton Valley Holdings, LLC APN(s): 072-3190-003, -004 & -005
West Prairie Estates APN(s): 072-3190-007
Aerojet Rocketdyne, Inc. APN(s): 072-0060-073, -074 & -075
Easton Development Company, LLC APN(s): 072-0231-048
Gragg Ranch Recovery Acquisition LLC APN(s): 072-0070-006
Arcadian Heights, LLC APN(s): 072-0070-021 (ptn)
Folsom Heights, LLC APN(s): 072-0270-001, -028 & 072-0070-023

Reimbursing Owners:

Michelle M. Carr, Trustee of the Michelle M. Carr 2012 Trust Melissa A. Barron APN(s): 072-0060-012
Elliott Homes APN(s): 072-0270-030
Zarghami & Javanifard APN(s): 072-0060-007



Map of Constructing Owner's Property Exhibit 4.3

City of Folsom, California - April 15, 2014

EXHIBIT 7.11

ASSIGNMENT AND ASSUMPTION AGREEMENT

RECORDING REQUESTED TO:

Attn: _____

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**ASSIGNMENT AND ASSUMPTION AGREEMENT RELATIVE TO
THE FOLSOM SPECIFIC PLAN AMENDED AND RESTATED TIER 1
DEVELOPMENT AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this ____ day of _____, 20__, by and between _____, a _____ (hereinafter "Landowner"), and _____, a _____ (hereinafter "Assignee").

RECITALS

A. On _____, 2011, the City of Folsom and Landowner entered into that certain agreement entitled "First Amended and Restated Tier 1 Development Agreement By and Between The City of Folsom and [Landowner Name] Relative to Folsom Specific Plan (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Landowner agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 2014 [Instrument No. _____].

B. Landowner intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel __, and more particularly identified and described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel"), or all of the Subject Property, as defined in the Development Agreement.

C. Landowner desires to assign and Assignee desires to assume all of Landowner's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Landowner and Assignee hereby agree as follows:

1. Landowner hereby assigns, effective as of Landowner conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Landowner under the Development Agreement with respect to the Assigned Parcel. Landowner retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Landowner.

2. Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Landowner under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Landowner under the Development Agreement with respect to the Assigned Parcel, and to be subject to all the terms and conditions thereof with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Landowner as the "Landowner" under the Development Agreement with respect to the Assigned Parcel. Assignee acknowledges and agrees that the assumption of Landowner's rights and obligations under the Development Agreement includes, without limitation, the waiver by Assignee under Section 5.3 of the Development Agreement of all claims for damages against the City for breach of the Development Agreement.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall insure to the benefit of the parties hereto and their respective heirs, successors and assigns.

3. Notification to the City of Folsom is required by the Development Agreement Transferring Landowner shall provide notice, prior to the transfer to:

City of Folsom
City Manager
50 Natoma Street
Folsom, California 95630

4. The Notice Address described in Article 7 of the Development Agreement for the Landowner with respect to the Assigned Parcel shall be:

Attn: _____

5. No assignment shall be permitted if there are any outstanding payment obligations to the City by the Landowner until such delinquency is satisfied or the parties enter into a payment or performance agreement in a form approved by the City Attorney.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

LANDOWNER:

By: _____

Print Name: _____

Title: _____

ASSIGNEE:

By: _____

Print Name: _____

Title: _____

*This page is intentionally left blank
to facilitate double-sided printing
and minimize paper use.*



CITY OF
FOLSOM
DISTINCTIVE BY NATURE